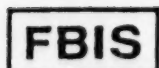


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28 APRIL 1987

Latin America Report



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28 APRIL 1987

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CARICOM SECRETARY GENERAL DISCUSSES REGIONAL TRADE

Port-of-Spain DAILY EXPRESS in English 23 Mar 87 p 5

[Text]

A CLEARING facility "of some sort" continues to be essential for supporting intra-regional trade.

That was the view of Caribbean Community (Caricom) Secretary General Roderick Rainford when he spoke to the *Express* last Friday following his address to the Second Management Conference at the University of the West Indies, St Augustine.

According to Rainford, however, it is doubtful whether the need for such a facility requires the "resuscitation" of the Caribbean Multilateral Clearing Facility (CMCF) or "the establishment of a new mechanism altogether." The Caricom secretariat head said Caribbean countries continue to address their trade problems on their own but it is still an issue for attention at the regional level.

He said there is a mood of co-operation in the region in spite of differences in perspectives. "The important thing about the move towards the positive is that there is a demonstration of preparedness on the part of regional leaders to engage in com-

munication in a positive manner, even if they disagree in their outlook on matters," he said.

Rainford contended that it would be difficult, at the Caribbean regional level, to have one regional, economic development plan, "with the same kind of comprehensive detail as you could possibly have at the national level." He attributed such a difficulty to the fact that it would be necessary to have "one political authority for the whole Caribbean."

He said there are also differences in the economic policies of the various nations and "in

that context, it is not possible to have in the foreseeable future one comprehensive, economic plan as if the Caribbean as a whole was one country."

"In the face of that situation, we can fall back on regional planning in the sense of sectoral plans," he said, making reference to activities in the agricultural and energy sectors which, he pointed out, can be guided by programmes involving a number of national and regional institutions.

"The full range of programmes and activities that we are now

pursuing in the Community through the activities of the secretariat are matters which would stem from the basic mandate of the Treaty of Chaguaramas," he said, "including decisions of the organs and institutions of the Community within the context of the Treaty."

He added: "It is always open to the governing bodies of the movement to collectively review, discuss and compare our thoughts and come to a collective understanding on what our overall programme should comprise."

/9274

CSO: 3298/176

VENEZUELA ENVOY DISCUSSES STATUS OF TIES TO CARIBBEAN

St Georges THE GRENADA NEWSLETTER in English 28 Feb 87 p 8

[For a briefer Bridgetown CANA report on Ambassador Moanack's remarks, see page L1 of the Latin America DAILY REPORT FBIS-LAM-87-038 of 26 February 1987]

[Text]

Mr Francois Moanack, Venezuela's Special Ambassador to the Caribbean, told a press conference here on February 25th that his country's territorial dispute with Guyana is "very much on the back-burner".

"Relations between Venezuela and Guyana could not be better right now", he said. "Recently we have signed an Agreement through which we are selling them oil and we are buying their bauxite."

Ceded

The dispute referred to involves some 50,000 square miles of territory held by Guyana. Originally ceded by treaty to Britain by the Dutch, Venezuela, as successors to territory once occupied by Spain, claims this area and charges that, nearly

150 years ago, Britain fixed the border unilaterally.

In 1899, Venezuela and Britain both accepted the border which exists today. That border was fixed by a Tribunal of distinguished jurists set up for the purpose but, 50 years later, a document was published which threw doubt on the findings of the Tribunal and renewed Venezuela's claims.

That document, written by one of the lawyers who represented Venezuela before the Tribunal, and which was published after his death, accused members of the Tribunal of confessing to him that they were involved in a political "deal" and had deliberately come to a false decision.

"The dispute is there", Ambassador Moanack told the press conference. "but we are working now on the basis of cooperation while we wait for the United Nations Secretary General to indicate the mechanism through which we will proceed to dialogue".

Venezuela's approach to the United Nations was made sometime in the 1960s, the Ambassador said, and he could not say when the Secretary General's decision will be made.

Ambassador Moanack was part of a Venezuelan Navy goodwill mission, headed by Rear Admiral Finol Mora-Casanova, which arrived in Grenada on February 25th on the Venezuelan frigate Coast Guard vessel

"General Moran", captained by Commander Gilberto Pasos Peinado.

On the subject of Venezuelan aid to Grenada, the Ambassador said his country is making Grenada a loan for the purchase of 200 Venezuelan prefabricated houses.

Difficult

"We would like nothing better than to give these houses to Grenada", he said, "but Venezuela is placed in a rather difficult situation at the moment. We have an external debt which is big, and the service of that debt requests a lot of money from us"

Venezuela is considering the possibility of a EC\$6 million road building project in Carriacou, Grenada's sister island, the Ambassador said.

Engineers from a private Venezuelan company have already

visited Carriacou in this connection, and, when a formal proposal is made by the Grenada Government, Venezuela will consider making another "soft" loan for the project.

Insufficient

On the subject of tourism, there is now an insufficient flow of passengers between the two countries to justify a scheduled airlink between Grenada and Venezuela, the Ambassador said, and he held out no immediate hope for a Venezuelan boost to Grenada's tourist industry.

"A tourist flow from Venezuela to Grenada becomes rather difficult at the moment because of the high prices in Grenada.", he said. "Hotel accommodations are above and beyond our possibilities at this moment, but we are studying the possibility of attracting the Venezuelan tourist to Grenada in the low season"

The Ambassador said

the tourist flow is now into Venezuela from the Eastern Caribbean islands, because low prices resulting from devaluation of the Venezuelan currency is attracting many shoppers.

The "General Moran", with a complement of 75 officers and ratings, arrived in Grenada from St Lucia where she participated in that country's independence celebrations on February 22nd, and she sailed for home on Saturday 28th February.

Programme

This is not the first Caribbean cruise of the Venezuelan Navy. Ambassador Moanack said, St Vincent, St Lucia, and Dominica having been visited last year. The programme for 1987 includes visits to Barbados, Antigua, the Bahamas and the Dominican Republic. (651)

/9274

CS01 3298/176

CARIBBEAN SHIPPING GROUP VOWS TO MAINTAIN SERVICE

Port-of-Spain TRINIDAD GUARDIAN in English 26 Mar 87 p 16

[Text]

THE WEST INDIES Shipping Corporation said that it intends to maintain its service to the Caricom region, including members of the Organisation of the Eastern Caribbean States (OECS). WISCO gave this assurance in a statement yesterday, following it said, recent reports that "a few" OECS members were announcing their intention to withdraw from the Corporation's membership.

Such reports, WISCO noted, caused great concern among local businessmen. The company said it hoped to alleviate some of this since its service is the major direct shipping link between Trinidad and the Eastern Caribbean.

It added:

"The Corporation's Management will do everything to preserve this vital link. WISCO is being called upon to perform a most difficult task in trying circumstances, but is committed to fulfill its

role in developing trade among Caricom member States and serving regional integration."

The Corporation called for support from shippers and shareholding Governments to guarantee service to all Caricom member States.

WISCO's statement pointed out that

the collective shareholding of the few OECS States which announced their intention to withdraw, is 5.2 per-cent, as against the Corporation's overall 100 per-cent holding.

Further, the statement said, their notices of intention to withdraw from WISCO would not take effect until 1988.

/9274

CSO: 3298/176

LAVAGNA PROPOSES NEW BRAZIL TRADE ALTERNATIVES

Buenos Aires AMBITO FINANCIERO in Spanish 17 Mar 87 pp 3, 19

[Article by Silvia Peco; passages enclosed in slantlines printed in boldface]

[Text] The expansion of bilateral trade without the use of foreign exchange, progress on the protocols that have already been signed, and the analysis of new ones that might be agreed to for the financial, agroindustrial, petrochemical, and automotive sectors, will be the issues taken up today and tomorrow by Secretary of Industry and Foreign Trade /Roberto Lavagna/ in Brazil with the principal economic authorities of that country, including Economy Minister /Dilson Funaro./

This was officially announced yesterday in a communique from the Secretariat which emphasizes the possibilities for developing trade without the use of foreign exchange.

This alternative appears to have been devised by Argentine officials in view of Brazil's foot-dragging in the implementation of the package drawn up jointly less than a year ago. /Since the economic turnaround in January, the guides that authorize imports have been coming out at a snail's pace, and they refer to products which are very sensitive for the Brazilian economy./

Bilateral trade has been stagnant since December, and there is concern that this year's levels will not even equal those of 1986, although most of the economic agreements took effect as recently as January.

The economic leadership considers it a strategic necessity to hang on to what has been achieved with Brazil, regardless of any short-term difficulties, because the possibility of gaining privileged access to the Brazilian market is regarded as decisive.

However, trade without the use of foreign exchange is difficult to implement. /In principle, the multinational corporations with subsidiaries in the two countries whose products offset each other could embark on such an initiative without major difficulties./

But aside from that, this is a complicated alternative, because it involves a kind of barter in which the seller receives as payment a product that may be

part of his own business only circumstantially. /It is possible that the officials are thinking of Brazil's major trading firms,/ which operate in a variety of product lines, but even so, bartering is a complicated procedure.

In principle, specialists in this field assert that implementing this alternative /cannot include compensated trade,/ because as that system is conceived in the regulations of the Central Bank, /the foreign exchange must necessarily enter the country; in other words, it is foreign exchange, not goods, that is compensated./

It is also possible that /an attempt will be made to include the automatic temporary admission system with Brazil,/ announced by /Sourrouille/ himself, /in the "without the use of foreign exchange" system./

This matter in particular, however, is very confused on the domestic front. Some say that the "total reciprocity" that /Roberto Lavagna/ added as a prerequisite was not part of the initial plans of the economic leaders.

Moreover, /industrial criticism is growing more heated./ The Argentine Industrial Union (UIA) was the first to ask for reciprocal treatment, and there are production sectors that even asked for the setting of quotas, while others are calling for the selection of sectors, contending that an indiscriminate influx would lead to the destruction of some national industries, such as canning.

Be that as it may, /at this point the steps taken and the pace of integration are determined more by Brazil than by Argentina, and local officials can only let their imaginations go and hope for a change in the short-term situation.

8926

CSO: 3348/238

AEROSPACE TECHNICAL COOPERATION SOUGHT WITH BRAZIL, ITALY

Buenos Aires AEROESPACIO in English Mar-Apr 87 pp 6-8

[Text]

The increasing political interest of the Italian government in becoming closer to our country was what gave rise to the trip to Rome made by Defense Minister. Dr. José H. Jaunarena, the JEMGFA Brig. My. Ernesto H. Crespo and the Comandante de Material Brig. Rubén A. Corradetti, from February 2 to February 11, the purpose of said visit having been both courtesy and fruitful work. Therefore, and in order to let the public know about the results of the trip, Brig. My. Crespo called a press conference in his office.

Low salaries have been one of the major reasons for a worrying drain of qualified personnel in critical; FA's areas, such as the general electronic one. The regulations governing the civilian personnel of the FA hinder the adequate compensation of the best technicians and have thus given rise to the loss of people who are vital to the proper performance of several systems operated by the institution. To partially neutralize that drain, the FA has planned the organization of an advanced electronics industrial company that will contribute to keep that valuable manpower.

Brig. My. Crespo is convinced that in next century countries will be classified as raw material producers and those scientifically advanced, particularly in the field of electronics, in which aviation is fully involved. The need to carry out an efficient and timely maintenance of FA ground and on-board systems and equipment has promoted the organization of a company with institutional contributions, local private capitals and foreign corporations very well known in the field. The most attractive incentive to such a company will be, no doubt, the State's purchasing power and the money the FA spends in electronic maintenance tasks.

Furthermore, the FA wants to reduce the huge gap existing in this field, which can be estimated in 50/60 years' difference as compared to the most advanced nations. Consequently, the FA invited Westinghouse (USA), Thomson C.S.F. (France) and Selenia (Italy) for them to make a proposal based on a list of basic requirements. For that purpose they were informed about our interest in building a network of navigational aid and space surveillance radars; in progressively manufacturing parts and complementary equipment; in organizing a company owned by the State and private capitals and in getting ready to undertake the maintenance of those and other FA equipment.

In November, 1986, offers were requested for 320 and 100/150 km range radars for the TMA, for 3D radars

as well as for the commitment to undertake new developments in future and the local and foreign marketing of the products manufactured at the local plant. Regarding this last aspect, it is the priority in the FA interest to acquire technical management and marketing knowhow. Brig. My. Crespo acknowledged that these are two weak points in the FMA's industrial operation and he is determined to have the personnel working in this sector getting the highest training levels to achieve a successful industrial production such as the one sought. Of course, he expressly stated that the document to be signed would be subject to the political consent on the part of the National Executive Power as well as to the technical approval of the above mentioned analytical project.

The companies evaluated the requirement and submitted their offers. The analysis made by the FA gave rise to the trip to Italy so as to consolidate at government level the understanding reached with an Italian company. Selenia made the best offer, one of its major points being the transfer of technology which is still forbidden to obtain from other sources and was consequently selected to form part of the national company. The steps taken for the negotiations became very dynamic, and representatives from that firm arrived in the country on Feb. 18 to start with the organization of the company, which will have the characteristics of a corporation, so as to start working with no further delay. The transfer of technology was particularly valued in the selection process and the Italian policy to support it proved to be decisive.

In connection to the new company, the Argentine private group—not yet identified—will own from 30 to 40% of the capital stock; Selenia will do so in like proportion and the FA will account for 20 to 30%, this evidencing the latter's wish to take part in the electronic activity, yet with no leadership. The FA will be the major customer in future, but at the same time it will derive benefits both technically and financially. In addition, the JEMGFA pointed out that, its contribution notwithstanding, the FA—in short, the State—will have the right to veto when dealing with sensitive matters which may affect our country.

In its proposal, Selenia made commitments regarding the maintenance of the equipment to be incorporated and, gradually, most part of that corresponding to the on-board equipment and of system based on electronics

operated by the FA; the study and development of new projects; the manufacturing and marketing of electronic equipment both locally and abroad; transfer of technology, training of domestic personnel and the delivery of marketing and management knowhow in connection to the field of electronics.

If the process of the company's organization goes on schedule, the initial results will become apparent in late 1987 or early 1988. Radars for navigational aid and control will be installed in Mendoza, Córdoba, M. del Plata and B. Blanca, and another one will be added to the TMA Buenos Aires, whereas two 3D radars will be available in R. Gallegos and Com. Rivadavia. This program will allow for the considerable optimization of the air space control as well as of air traffic safety. Were this system acquired immediately abroad, about U\$S M 800 would be required.

The company would be physically located either in Quilmes or in Ezeiza, where already there are both electronic workshops and qualified personnel. Production will be initially oriented to building radar antennae, consoles and associated equipment. As local personnel becomes more experienced, the national participation will

increase. This idea will be deployed on a PERT, and the progressive steps of manufacturing and participation will be thus placed in order. FA's contribution will take place in the way of machine tools and other technical chattels since their ownership is vested in said institution and will also give the buildings to be used by the plant for rent. The financing of the project will also include funds coming from the Ley de Tasas Aeronáuticas, as they must be allocated to works for the improvement of communications, air navigation and general traffic control. The old practice of purchasing abroad without asking for an adequate compensation was radically modified and now such compensation is required for each expense incurred out of the country. In the case of the association with Selenia, this objective will be fully met.

Aeritalia is another corporation which has proved to be highly interested in becoming a partner, in this case of the FMA, to work in the aeronautic industry on a joint basis, said intention being favored by the current policy of the Italian government. A general agreement was thus entered into with said company, similar to that executed with Embraer in January 86, in which it is established that both parties will evaluate the convenience of organizing a corporation of combined ownership (Fábrica Argentina de Materiales Aeronáuticos S.A.) in connection to the currently existing FMA, in which Aeritalia would transfer technology, would invest capital and would deliver management and marketing knowhow.

If this flourished, a triangle would be completed, the vertices of which would be the FMA, Embraer and Aeritalia, which today keep bilateral relations. Members from the FA and from the Italian company are simultaneously analyzing three courses of action about integration feasibility, legal structure and entrepreneurial type, a conclusion having to be reached by May 30. The new company would manufacture aircraft and parts with metals and composite materials by employing part of the electronic production that the other combined corporation would deliver. The FA is not interested in organizing many-sided industrial giants that would be hard to manage. Smaller units are preferred, which are very dynamic and easier to control from the economic point of view.

When completing his extensive presentation, Brig. My. Crespo pointed out that both projects are obviously supported by the Argentine Government and that the results to be achieved will finally depend on our ability to carry out the negotiations. Time will be a neutral observer of what takes place from now on.

/12379

CSO: 3300/11

ATHOS FAVA ON PCA'S STAND, MEETING WITH GORBACHEV

Buenos Aires EL PERIODISTA in Spanish 13-19 Mar 87 p 40

[Interview with the secretary general of the Communist Party of Argentina (PCA), Athos Fava, by Maria Seoane; date and place not given]

[Text] In this interview with EL PERIODISTA after his return from Moscow, Athos Fava speaks of the political turnabouts in the Soviet and Argentine Communist parties, his exchange of views with Soviet leader Mikhail Gorbachev, the foreign debt, the September elections and the sanctions against Rubens Iscaro and Oscar Arevalo, the orthodox leaders who were expelled from the PCA.

[Question] Mr Fava, you headed the delegation made up of Patricio Echegaray and Francisco Alvarez that met with Mikhail Gorbachev. You seem very impressed with the meeting. Do you agree with those who are saying that the Soviet Union has found in Gorbachev Lenin's successor for this day and age?

[Answer] Reflecting on the names of the leaders who have succeeded Lenin as chief of the CPSU, I find no one else of Gorbachev's stature. He is indispensable in preventing the world from heading towards a nuclear catastrophe. He said that to consolidate peace the year 2000 must see a world free of atomic weapons. When we met, I wished him happy birthday (he turned 56), and he told me: "Fava, yesterday evening I took home a big pile of letters to read with my wife and daughter. Some of the letters I will take to the Politburo because they contain very just and profound criticism. Others, from both young people and war veterans, tell me not to take one step backwards. Onward, onward, they tell me. And lastly there are those that deify me. But there are no gods. This must be clear. The important thing is collective intelligence, collective work and individual contributions to that work." Gorbachev is a very bold, steady and energetic thinker, because the specific issues that he raises are bold in every respect. At the 10th Congress of the Communist Party of Cuba in February 1986, Fidel said to me: "With Gorbachev we've won the grand prize and all the prizes." Castro said the same thing to Gorbachev when they met for over 4 hours: "Look, it has been 25 years since the international communist movement has heard a document like the one you read at this Congress."

[Question] This was precisely one of the issues discussed at your meeting. What sort of impact will Fidel's assessment have inside the communist movement in Latin America?

[Answer] We will have to inaugurate a new system of relations. One of the conclusions is that there is no center and that each must contribute his own point of view, talent, experience and historic responsibility regarding revolutionary problems.

[Question] Is it true that Gorbachev was very harsh and frank in discussing the Stalinist period?

[Answer] He argued that the root of all problems was Stalinism. Dogmatism delayed the examination of problems and brought on stagnation in the 1930's or 1940's.

[Question] Yes, but what did he say specifically about Stalin as a leader?

[Answer] He talked about the harm done by Stalinism, paternalism and the revealed truths that petrified ideology. He said, for example: "Even the church is modernizing, and we have lagged behind, petrified in certain tenets of ideology, doctrine, social sciences and psychology. This stems from Stalinism." And this has held true for us Argentine Communists as well. We have said frankly that at times we saw the positions of Stalinism as revealed truths. This is why the 16th Congress of our party went back strongly to our national roots. We believe that there must be two inseparable roots: one that is national and Latin American, as expressed through Bolivar, San Martin, Marti and "Che," and another that is international, embodying all of the experience of the communist and revolutionary movement that must be applied to the struggle of our people.

[Question] Gorbachev told you about the restructuring of the Soviet state. You also talked about the turnaround in the PCA. People here have contended that this shift was one of the concerns that Alfonsin raised when he saw Gorbachev in Moscow. Alfonsin reportedly told him: "The Argentine Communists are making life impossible for me." Did you talk about Alfonsin? Did the Soviet leader criticize the PCA for its stands on the Argentine Government?

[Answer] There was talk of our turnaround. We told him that one of our major mistakes was not to have held a class viewpoint on the military dictatorship. This extremely serious mistake tarnished our party's revolutionary image. Gorbachev said to us in reply that the revolutionary outlook is something that must never be lost. He said that they felt our shift was entirely proper. But we did not get into specific issues about the government or the UCR [Radical Civic Union] or the PCA, which are a product of Argentine society. The CPSU will not tell us how to solve our problems, and we will not tell them how to solve theirs.

[Question] Yet, as can be seen from the joint communiques, you discussed the issue of the national bourgeoisie and concluded that the best environment for the workers in the capitalist countries is bourgeois democracy, not fascism or military dictatorship. What are we to make of this conclusion in connection

with the Alfonsin administration? Are you toning down the stubborn and hypercritical opposition to the Radical administration that the Argentine Communist Party has been voicing?

[Answer] Not at all. We contend that the Argentine bourgeoisie as a class has lost its ability to lead or promote a movement of national liberation.

[Question] You are talking about a historic, strategic concept. But what about day to day politics?

[Answer] It does not mean that for tactical reasons we cannot enter into broad or short-term agreements with the bourgeoisie. Let's take the case of democracy and revolution. Lenin strongly emphasized (we talked about this with Gorbachev) the importance of democracy to broaden the workers' leeway. But the proletariat is struggling for a different democracy, one with a socialist, not a bourgeois foundation. We agree with the Alfonsin administration in defending the institutional system, against a coup d'etat, against destabilization, but our agenda is different. Alfonsin wants to strengthen bourgeois democracy, the domination of the bourgeoisie over the proletariat. Our position is based on what the people have achieved for the purpose of national liberation. A democracy for national liberation. Just look at the peace program drafted after Contadora.

[Question] Did Gorbachev tell you that he would support Contadora?

[Answer] Yes, as long as it helps Nicaragua, the Nicaraguan revolution. We explained to him how we see Contadora. We told him that we agree with the government on defending it, but we support it so that peoples can intensify their revolution. In contrast, the Latin American bourgeoisies support Contadora to castrate the Sandinist revolution and rob it of its substance. Gorbachev said: "Our viewpoint is the same. As long as it helps Nicaragua, we will support Contadora; when it no longer does, we will stop supporting it." When we spoke of peace and revolution, we said that the two are not incompatible. He interrupted and said: "Peaceful coexistence between states does not mean the status quo on the other problems of nations, the struggle for their vital interests, for better wages, for jobs, etc."

[Question] What did Gorbachev say about the foreign debt?

[Answer] Gorbachev was very interested in the foreign debt. When he met with Mitterrand last August, he told him: "An individual capitalist tries to pay workers a wage that will enable them to procreate and keep on producing in the factory. You, as a group of capitalists, are exhausting the Third World. You are not allowing it to procreate or to invest in development. You are squeezing out and making off with everything, claiming that they are stealing the money that you lent them. You are exhausting countries in this way and not allowing them to develop. Therefore, you will be responsible for the social explosions that will occur there."

[Question] Did this talk alter the position of Argentine Communists on the foreign debt?

[Answer] In our platform we call for a 10-year moratorium on payment of principal and interest. But we are coming to the conclusion that we have to modify this proposal. The debt is more than immoral and illegitimate. IT CANNOT BE REPAYED (yes, in capital letters). We have to promote the watchword of not repaying the foreign debt so that all funding is earmarked for national economic development, to meet the demands for higher wages, housing, of retired persons, for health care, for education. The people did not contract the debt, and there is no reason for them to shoulder it. We will thus begin to pay off the domestic debt, the debt with the Argentine people.

[Question] After Rubens Iscaro and Oscar Arevalo were expelled, it was learned that they are reportedly trying to establish the Democratic Communist Party. What do you have to say about this?

[Answer] The communique that our political commission issued is clear: they have been sanctioned for having actively opposed the line charted at the party's 16th Congress. They are active and carrying on the debate outside party structures. It is true that there is talk of the creation of a Democratic or Authentic Communist Party. We are aware that they are working on that; there was a reason why we expelled them.

[Question] There will be elections on 6 September. What alliances will FREPU enter into and who will its candidates be?

[Answer] I think that some aspects of FREPU's program will have to be updated. Meetings are constantly being held to make changes in the platform, in the campaign, in the candidates. There are also contacts to expand alliances with forces outside FREPU. In this regard, we have very specific initiatives with Peronism, with factions of the Intransigent Party and with the Current for National Liberation in the UCR.

[Question] Will the PC-MAS [Social Affirmation Movement] duo remain the exclusive base of the election ticket?

[Answer] It is a duo, as you say, from the standpoint of legal electoral issues. Politically speaking, however, the ticket is up to the Communists, Peronists, MAS and other leftwing forces.

[Question] Will Patricio Echegaray run as the first candidate for deputy from the Federal Capital and Luis Zamora from the province of Buenos Aires? You have contended that you want a Peronist candidate in the province.

[Answer] Yes. Patricio will be running in the capital, and Jorge Garra, who was the first commander of the coffee brigades in Nicaragua, in the province of Buenos Aires. But these matters are under discussion in the People's Front, to see how we can combine candidacies and hammer out agreements with other forces. March will be decisive in working out alliances and nominating candidates, because by April we should be launching our election campaign with our platform, our candidates and a clear-cut electoral message.

8743

CSO: 3348/240

OLIVERA SEEKS NONPOLITICAL APPOINTEES TO HEAD STATE FIRMS

Buenos Aires AMBITO FINANCIERO in Spanish 16 Mar 87 pp 28, 14

[Interview with DEP head Enrique Olivera; author, date, time, and place not given]

[Text] [Question] Let's review briefly what has been done so far.

[Answer] On one occasion, shortly after taking office, I commented to you that we faced a task in which the results would not be seen until the medium and long term. We said at that time that we were going to show some signs. And what were we doing? In the first place, there is a group of private businessmen who have been commissioned to conduct an operational diagnosis of the public enterprises. The first diagnoses will be completed in April, and they will enable us to analyze the critical elements of each enterprise and lay down future lines of action. Parallel to this analytical task, we have undertaken a series of actions designed to set forth the courses we intended to follow. I will cite a few examples: This past Monday we opened the bids for the privatization of the operation of railroad branch lines. We had called for bidding on eight rail lines amounting to 1,700 kilometers. When we opened the envelopes we were pleasantly surprised to note that 11 bidders had presented proposals for lines that add up to a total of 3,000 kilometers of the railroad network.

[Question] That is, nearly 10 percent of the country's entire rail system.

[Answer] In addition, yesterday (Thursday) and last week we signed pacts for the installation of telephone lines with the assistance of private capital. In Cordoba, Santa Fe, and the province of Buenos Aires we signed agreements for the administration of lines, pending a delineation of the projects by the National Telecommunications Enterprise (ENTEL) and the provinces.

The General Port Administration, meanwhile, drew up a model contract with an important cooperative to install a private port in the southern part of Buenos Aires Province. This project will require an investment of about \$50 million. We have also opened the envelopes for the northern sewerage system, which involves providing service to 600,000 people through a private company.

Austral is being privatized. The bidding specifications are already on sale, and a large number have been sold to top-flight firms interested in bidding.

At State Gas we are emphasizing the transportation of gas with private capital in the distribution. Some presentations have been made, and only regulatory aspects remain to be resolved.

Symbolic decisions were made at some firms with respect to the intention of cutting red tape. Sanitation Works no longer has to submit the plans for home installation. This means one less line to stand in, one less procedure to follow, one less expense for the user.

[Question] How is the restructuring of Government Oil Deposits (YPF) going?

[Answer] YPF is the largest enterprise in the country; anything associated with it will have major economic repercussions. We are establishing economic criteria for self-sufficiency. We want to become self-sufficient, but not at any cost.

[Question] Is the division of YPF into four parts irreversible?

[Answer] If the analysis revealed very major difficulties, we would turn back. But I sincerely doubt that such difficulties will arise.

[Question] On your recent trip, you passed through Spain, where you had an opportunity to see how the Telephone Company works. That company is a model of efficiency. In just a few days, a telephone can be installed for less than \$100. A few years ago, when it was totally state-owned, it was as disastrous as ENTEL. It was enough for private capital to buy 51 percent of the company's shares to engineer this drastic turnaround. Didn't this experience give you a similar idea?

[Answer] This is what I believe: The differences are very great. How have public enterprises operated in other countries? Most of them have separated political decisions from administrative matters. A few months ago, in Italy the railroad enterprise was even separated from the Transportation Ministry. In other words, great care has been taken to draw the line between political and administrative matters. A second point has been to give stability to the management teams; in most cases, that stability is mandated by law. Another important aspect is the constant principle of business autonomy. In addition, the stable management team has an adequate motivational system, ensuring that the team's interests coincide with the medium- and long-term objectives of the firm.

[Question] Unlike in Argentina, they are not as anxious as you are to accomplish long-term projects in a short time, because you know that in a few years the government will change and you will go with it. Nor is there resistance by a bureaucracy which, encouraged by the ephemeral nature of management, says: "Let's make life impossible for these guys, they're not going to be around for long anyway." This is how the bureaucracy survives and management sinks with the changes in government.

[Answer] What you say is true. Furthermore, in other countries what people are looking at is the bottom line: Is there a profit or a loss? But to look at that bottom line, and for investments to take future results into account, there must be stability. Otherwise, there is a tendency to produce great projects rather than profitable projects.

[Question] The way you approach the subject suggests to me that you are thinking of a law that would provide some stability for the management and administrative personnel of the enterprises under your holding company.

[Answer] I tell you, that is what is happening in the rest of the world in terms of running public enterprises. But there are other important aspects, such as operating with costs, prices, and pay scales that are at market levels. This is very clear in Europe, given the competitiveness requirements of the community. These conditions abroad enable them to attract private capital to participate in the enterprise and participate in those funds for improvements, extended services, and even research and development in the case of very dynamic companies. There are many differences with Argentina. Here, for decades we have been unable to create the conditions for enterprise managers to commit themselves to medium- and long-term objectives. There are a variety of reasons: ways of selecting personnel, stability, the political vulnerability of public enterprises, a pay system that leads to regressive selection, etc. etc. This is extremely important, because without a stable and efficient public administrator, the vacuum left by this individual who can reconcile sectoral interests with long-term interests is filled by very legitimate interests. In other words, trade association interests or military or political interests prevail. But all these legitimate interests went unreconciled, and generally it was the customer who suffered; they did not coincide with the objectives of the enterprise. Without stability, all management techniques--planning, administrative control, etc.--then began to operate in a vacuum.

[Question] But you didn't answer my question, so I will make it more direct. Are you thinking of a law to provide stability for the officials who run public enterprises?

[Answer] We believe that it is imperative that some legislative change be effected in this area, including that stability law.

[Question] But how can people be selected without political factors entering into the appointments?

[Answer] The way it's done everywhere, and in private firms in Argentina and all over the world. This has been achieved everywhere else; I don't know why we can't do it. Because no matter how good it is--and I have seen good examples of excellent professionals--if there is no management team that can implement a firm's planned objectives, the possibilities for success are nil.

[Question] And what are you doing to change this whole structure?

[Answer] We are working along four basic lines. The first is to restore rational management criteria covering everything we've been talking about,

from creating the conditions for a management team to emerge and remain, to setting up an adequate motivational system. We are also working in the area of regulations, which entails two aspects: the simplification of the decision-making process so that it can be more timely, and the creation of a more competitive environment to facilitate administrative control. The third line is decentralization, as exemplified by the ENTEL agreements, which allow for greater administrative efficiency because the decisions are closer to the user. There may be an additional fringe benefit as well: favoring the association of that smaller unit with private capital. And the fourth line is precisely the incorporation of private capital for financing improved public service. Here there are all kinds of variants, but it is impossible to incorporate them as stockholders in the short term. And there are several reasons. The first is that the enterprises are losing a lot of money; they are hyperregulated; we do not have an efficient enough management system to determine the precise value of assets; there is no business program that can analyze profitability; and moreover, there is no capital market big enough to digest enterprises the size of these state entities.

[Question] But that is disappointing, because we might turn to foreign capital or the repatriation of capital.

[Answer] Look, if you're looking for obstacles, there are plenty more. The bureaucratic system in Argentina is our worst enemy.

[Question] Is the diagnosis of the enterprises that will be submitted to you next month the basis for that stability law, and for all the other regulations we mentioned?

[Answer] The diagnosis includes the analysis of the regulatory reform to give the enterprises greater autonomy.

[Question] So this year they must make do with what they've got while we draft the legislation to reform the management of these enterprises, and if we are lucky it will be passed during the next special session of Congress.

[Answer] Precisely. The reform of the state has that regulatory aspect which legislative solutions require, and we are working on that to change the efficiency, because the current laws were not designed for enterprise management.

8926

CSO: 3348/238

KEY FACTORS LEADING TO INTERNAL SITUATION IN ARMED FORCES

Buenos Aires AMBITO FINANCIERO in Spanish 13 Mar 87 pp 12, 22

[Text] During the first 3 years of constitutional rule the Alfonsin administration has had a stormy relationship with the Armed Forces. Although low pay and budget cuts were decisive factors in the relationship, the investigation of the struggle against subversion was the main problem and focus of disagreement.

Although the former commanders in chief and General Camps were arrested, tried and found guilty, so far no active-duty officer has been arrested.

1. June 1984: The arrest warrant against Captains Mones Ruiz and Alsina (Federal Chamber of Cordoba) triggers a crisis that culminates during the first week of July with the replacement of then Chief of Staff General Arguindegui and of the commander of the Third Army Corps, General Mansilla.
2. September 1984: The arrest order against Lieutenant Colonel Barreiro creates tensions in the Cordoba military garrison, and the Federal Chamber there is thus forced to drop charges against him.
3. March 1985: The acquittal of Ship-of-the-Line Lt Alfredo Astiz by the Supreme Council of the Armed Forces triggers a crisis in the administration, which then replaces the chairman of the Joint Chiefs of Staff, Gen Fernandez Torres.
4. September 1985: The arrest warrant issued by the San Luis Federal Court against Lieutenant Colonel Pla stirs up tensions, which are eased when he travels overseas and fails to appear to testify.
5. October 1986: The arrest order for Lieutenant Colonel Pla issued by the Mendoza Federal Chamber creates a crisis, which is dampened when the case against him is dismissed.
6. December 1986: The Federal Chamber of the Capital asks that five generals, a retired colonel and an active lieutenant colonel be put on trial. A particularly tense situation arises in the army; it is defused when the Supreme Court decides to remove the case of the First Corps (450) from the chamber because of a conflict of jurisdiction.

The passage of the expiration law (the presumed "final curtain" [punto final]) in December 1986 was designed to limit and hasten the trials of military personnel in connection with the struggle against subversion, by seeking to isolate a small group of active and retired officers and thus shatter the network of solidarity and loyalty.

The upshot of the expiration law has been seen in the Armed Forces as another deceitful move by the administration. In the first half of 1984 the Armed Forces were told that the investigation into the struggle against subversion would end in the second half of 1984, once the CONADEP report was made public. In March 1985, both the minister of defense (Carranza) and the commander of the army (Rios Erenu) announced that an amnesty law was imminent. In late 1985, the Armed Forces were told that the Federal Chamber's sentence in the trial of the former commanders would establish a clear legal precedent in the area of due obedience and thus active officers would not be held accountable. In March 1986, instructions were issued to the prosecutors, who were unsuccessful, triggering the resignation of German Lopez as defense minister. In late 1986 the Armed Forces were told that the expiration law would free active-duty officers from liability in connection with the struggle against subversion. In early February 1987, the chiefs of staff told their subordinates that new instructions to the prosecutors would prevent the prosecution of active-duty officers after the deadline set by the expiration law. The Armed Forces have perceived this entire sequence of events as a systematic attempt to deceive them, and the dominant view in the military is that the effect has been to gradually erode the capacity of military personnel to oppose the investigation into the struggle against subversion.

To this we must add the lingering uncertainties about the real effectiveness of the expiration law, owing to:

1. The exception that the law establishes for "atrocious and aberrant" crimes (for which there are no definite precedents); the deadline does not apply to them.
2. The postponing of the deadline owing to conflicts of jurisdiction; in the case of the First Army Corps (450) the deadline has been extended to 6 April.
3. The possibility that during the political trials that will take place throughout 1987 in the federal chambers in the capital, Rosario, Cordoba, Bahia Blanca and, perhaps, in San Martin, Buenos Aires Province, evidence may arise concerning the commission of "atrocious and aberrant" crimes, as a result of which new cases may be opened.

It bears noting that the following is the situation among the army and navy personnel who would actively back their colleagues who may refuse to testify:

1. There are no leaders or chiefs. The accused generals (Dasso, Fichera and Svencionis) have gotten the government to argue that the federal chambers should not subpoena them, and figures such as Colonel Seineldin seem to have lost influence among subordinate chiefs and officers.

2. They have no clear course of action or strategy to pursue during the crisis. They are inclined to support those who decide not to testify, but are not clear about what subsequent steps to take.

3. They have made no decision to act but could be described as inclined to join in as soon as the first incident takes place.

4. The most active groups lack effective coordination and are made up of officers with ranks from lieutenant colonel to captain in the army and from frigate captain to ship-of-the-line lieutenant in the navy.

The objective of the military movement would be to impose negotiating conditions on the government, possibly going as far as amnesty, which is seen as the only valid solution to the problem of the trials. The feeling is that under these conditions the current top echelons would fall after being disobeyed and that the government would be forced to deal with the intermediate levels in the face of the top echelon's inability to control the situation. In general, the goal is a solution similar to the one that the Uruguayan Armed Forces achieved, as through an "institutional arrangement" they got the administration and Congress to pass an amnesty law. Violent action, power plays such as the one tried by the Ecuadorean Air Force and the subpoenaed officers going underground are, in principle, being ruled out. The idea is not to interfere with existing democratic institutions and to seek solutions to the problem within their framework.

The administration has decided to tackle the crisis head on and is determined to discharge and arrest all active-duty officers who do not obey the summonses. It feels that the officers will ultimately most likely give in and, to this end, it expects to have the active support of the top echelon, the active-duty generals and admirals, who have seen their own legal problems resolved in recent days.

In principle it would seem as if the government is in a position to put down any potential military uprising, given its lack of organization.

In the event that it asserts itself strongly, there will be adverse repercussions in the Armed Forces into the medium-term future.

8743

CSO: 3348/240

PRIVATIZATION PLANS FACING LEGAL OBSTACLES

Buenos Aires CLARIN in Spanish 22 Feb 87 p 6

[Passages enclosed in slantlines printed in boldface]

[Text] So far the privatization of public enterprises or those with partial state ownership has yielded meager results. Now, more than a year after it was announced that the petrochemicals firms and the Argentine Iron and Steel Joint Association (SOMISA) would be privatized and the deficit of the state enterprises would be attacked by ceding part or all of them to the private sector, it is clear that /little progress has been made in this regard./ The problem is, as the first initiatives began to take shape, significant legal, political, and economic roadblocks appeared.

Paralysis of Petrochemicals

Legally, turning the petrochemicals enterprises over to private capital requires that /their charters be modified, for which purpose Congress would have to pass a specific law./ The same is true of the firms in which the government owns majority stock. As a matter of principle, it was decided that the General Mosconi Petrochemicals Enterprise, in which the state owns 100 percent of the stock, and the Bahia Blanca Petrochemical Enterprise, which is 51-percent state-owned, would not be privatized. Meanwhile, /steps were taken to sell Bahia Blanca's satellite plants, in which the state is a minority shareholder,/ with the additional advantage that here /private capital that was already associated might be strongly interested./ Nonetheless, the disadvantages did not disappear, given that turning these plants over to private hands /implies withdrawing all the government guarantees these enterprises enjoy,/ which makes them less attractive for absorption by private capital.

On the other hand, much of the stock package (around 30 percent) of the Bahia Blanca satellite firms is /in the hands of the Military Manufacturing Enterprise,/ and the Army has reportedly notified the economic authorities that /it will back these sales only if the proceeds go to fatten the military budget,/ and not if they are used, as the authorities propose, for an industrial development fund or go directly into the Treasury.

While the privatizations were running up against these internal obstacles, /the decline of international prices for petrochemical products weakened private interest./ Once again, it is argued, officials failed to take advantage of a time when international conditions were favorable for carrying out privatizations.

Public Enterprises

"The Public Enterprise Directorate (DEP) has not proposed to put total ownership of the enterprises into private hands, as some sectors tend to advocate. /There are such obvious restrictions on total privatizations in Argentina that a task of this nature is considered utopian under the present circumstances,"/ stated the head of the DEP, /Enrique Olivera,/ to CLARIN. The Argentine public enterprises are excessively regulated, /there is not enough information available to estimate the current value of their assets, and there is no local capital market capable of absorbing a transfer of shares./ It would be unimaginable, moreover, to allow foreign investment in public services to the extent that would be involved in these enterprises. In the rest of the world, privatizations have been /preceded by processes that have overcome the legal and economic restrictions present in Argentina today."/

The head of the DEP pointed out that /the task, then, lies in identifying areas of services that should be improved and that reasonably could be of interest to private capital./ The criterion of privatizing new projects that traditionally were state-owned and of seeking new types of partnerships with private capital is still being applied.

To sum up what has been accomplished in his area and in the Ministry of Public works, Enrique Olivera reported the following:

- 1) Open bidding has begun for the operation of /eight railroad lines covering some 1,600 kilometers of rails./ So far, more than 65 information packets have been taken, primarily by provincial, national, and foreign autotransport firms and manufacturers of engines and train cars.
- 2) The General Port Administration has submitted the model contract to be signed with a cooperative to build a /private grain port in Bahia Blanca,/ with an investment in the order of \$40 million.
- 3) The bid envelopes for the construction of the /northern sewerage system/ have been opened. Through a public works concession, a private firm will construct, finance, and operate the sewerage services, with an investment estimated at about \$80 million.
- 4) The /bidding on Austral Airlines/ was approved.
- 5) The new administrator of the National Telecommunications Enterprise (ENTEL) has indicated that /the state telephone network will focus on the trunk of the system,/ and that /private capital may take over the installation of exchanges to connect up users./ Similarly, State Gas granted 90 authorizations for /cooperative entities to take over the distribution of gas/

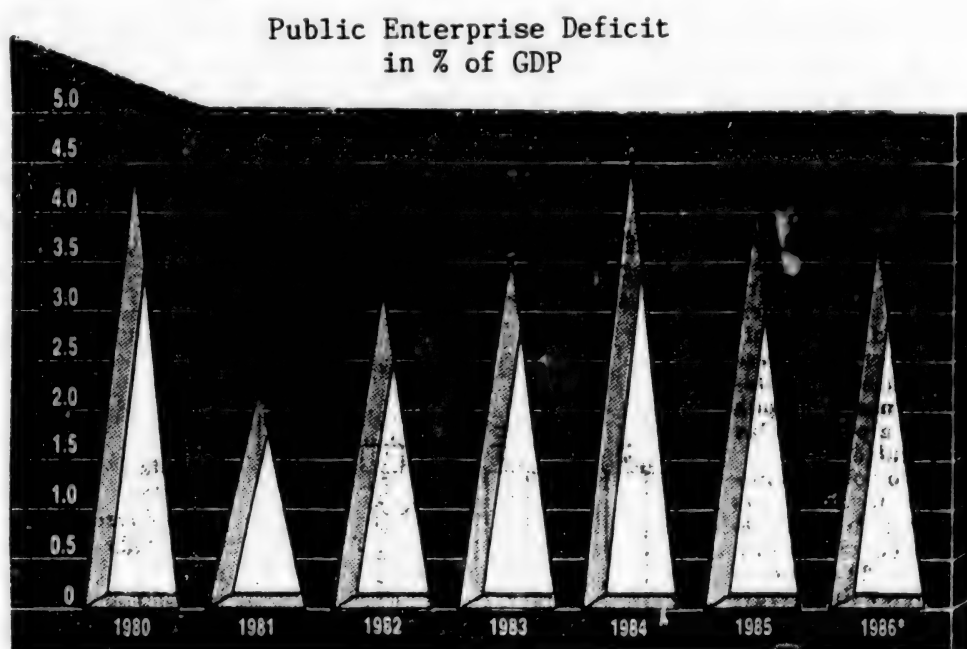
from the trunk networks to the users. The National Enterprise for Mail and Telegraph (ENCOTEL) has once again updated its regulations so that /private firms may transport letters and small packages./

"We have always said that we have a long and difficult road ahead of us. What has been done in the last few months amounts to putting up road signs to point the way," concluded the DEP official.

Objections

In private circles, on the other hand, there is criticism of the slow pace of official action, and it is argued that what has been accomplished is just a drop in the bucket compared to the size of the public enterprise deficit and the deficient quality of services. /There are objections,/ in particular, /to the fact that the initial impetus has been blocked, for the time being, by internal disputes/ over the feasibility of some privatizations or over the use of any funds derived from turning enterprises over to private hands.

On the other hand, it is noted that /the absence of an overall context of growth militates against the redefinition of the public sector,/ because under these circumstances it is not possible to attract a flow of capital interested in replacing the state. The so-called "Argentine restrictions" on private interest and the capital market can be overcome only through a process of capital accumulation based on the development of the real economy.



*Estimate

Source: CLARIN based on SIGEP data

8926

CSO: 3348/238

YPFB'S DECENTRALIZATION NOT NECESSARY, SAYS MINISTER

La Paz PRESENCIA in Spanish 6 Mar 87 p 1

[Text] The minister of energy and hydrocarbons has ruled out the decentralization of the Bolivian Government Oil Deposits (YPFB) this year, contrary to what had been announced after the approval of DS [Supreme Decree] 21060.

Carlos Morales said in answer to a question in this regard that decentralization is an appropriate model for larger enterprises and that in the case of the YPFB "it is not necessary until crude oil production hits 40,000 or 50,000 barrels a day." He added that YPFB is a relatively small enterprise with very limited output. "First," he said, "we will rebuild the city and then we will divide it up."

During the most recent strike by a group of oil workers, government authorities also announced the restructuring of the YPFB and personnel cutbacks. When asked about this, Morales replied: "This is a natural process. Adjustments will continue to be made in accordance with the needs of the service. The fact is that there has not been nor will there be relocations en masse. Obviously, though, we are trying to gradually cut out the fat in the payroll."

Adjustments

As far as "adjustments" in general are concerned, he said that there were various kinds of them, starting with comparisons of prices on the domestic and world markets. He clarified that gasoline prices would not be changed, remaining more or less at the levels that prevail in neighboring markets, "which are still somewhat larger." This will keep money flowing into the General Treasury of the Nation, control domestic consumption by discouraging waste and enable the country to build up a surplus that can be exported and bring in foreign exchange.

The minister indicated that the prices of engine oil and aviation fuel are under study. He felt that such studies are normal in any enterprise and are an attempt to set realistic prices. He stated that liquefied gas remains the only subsidized product, in a bid to avoid harming fixed-income sectors. "Little by little, though," he went on to say, "the price of household gas

will have to be reconsidered so that consumption and price are in balance. Some people prefer liquefied gas to any other fuel because it costs half as much."

He reiterated that YPFB "has been engaged in an ongoing process of restructuring and adjustment. Such processes do not stop. We will continue along this line to make the state-run enterprise more efficient and, fundamentally, more profitable."

8743

CSO: 3348/230

SUPREME COURT'S CORRUPTION CHARGES SPUR MOVE FOR CHANGE

New Judges to Be Appointed

La Paz PRESENCIA in Spanish 6 Mar 87 Sec 2 p 3

[Text] Santa Cruz, 5 Mar (PRESENCIA)--The Supreme Court justice from Santa Cruz, Edgar Rosales Lijeron, announced here today that next May there would be a partial housecleaning of the Judiciary throughout the country, after many judges' terms expire.

He made the announcement in answer to a question from newsmen about the extensive corruption that has been uncovered in the courts recently.

Rosales Lijeron said in this regard that the Supreme Court has high regard for the criticisms that the national press and the bar association have voiced on the problem of immorality in the Judiciary.

He said that the mass media and the bar would therefore be consulted prior to the partial housecleaning in the Judiciary throughout the country.

"This does not mean that the highest court in the land is subordinate to certain sectors," he clarified, adding that consultations with the two sectors are for purposes of guidance, not decision-making.

The Supreme Court, he said, wants to restore the people's confidence in the administrators of justice. To this end, he added, it will listen to suggestions about reorganizing the Judiciary.

Regarding the Huanchaca affair, the Supreme Court justice reiterated that the court threw the case out owing to mistakes in procedure. He added that for the same reason the high court filed charges against the members of the Santa Cruz criminal court and Dr Edgar Rueda Pena, the third district criminal court judge, for having dismissed the suit against the three principal defendants in the Huanchaca case.

Rosales Lijeron revealed that the Supreme Court has appointed the fourth district criminal court judge, Dr Armindo Jimenez, to open proceedings on charges of misconduct in office and begin taking testimony from the members of the criminal court and the third district court judge.

Meanwhile, he added, the Supreme Court has appointed a three-man panel, consisting of attorneys Carlos Pena, Hernan Cortez and Tomas Barrancos, to help Congress designate new members of the criminal division of the court now that the previous ones have been removed on misconduct charges.

The judges who have been dismissed and are standing trial are Drs Alfredo Jordan, Napoleon Franco Limpas and Judge Edgar Rueda Pena. The justice clarified that Dr German Paniagua is also on trial but was not dismissed because he had previously resigned from the criminal court.

Rosales Lijeron admitted that the cases of corruption that have come to light have detracted enormously from the credibility of the Judiciary. He asserted that this development is of great concern to the highest judicial authorities, who for this reason, he added, have decided to clean house in the Judiciary, albeit partially, early this May.

Extensive Corruption

La Paz PRESENCIA in Spanish 11 Mar 87 p 1

[Text:] Santa Cruz, 10 Mar (PRESENCIA)--The acting chief justice of the Santa Cruz District Court, Arnaldo Antelo, has admitted that there is "extensive corruption in the administration of justice," adding, however, that to counter this there are honest judges who are concerned about restoring the people's faith in the justice system.

Dr Antelo made the statement, which fully corroborates the charges that the mass media are making every day, when he announced that the court has completed its preliminary hearing in the cases of several former judges who have been charged with misconduct in office.

As we know, the Supreme Court has ordered Alfredo Jordan Mercado, the former chief justice of the Santa Cruz court, and former court members Franco Limpas and German Paniagua tried on charges of misconduct in office in connection with the "Huanchaca affair."

The fourth district criminal court judge, Armino Jimenez, was in charge of taking testimony from the above defendants, from the former third district criminal court judge, Edgar Pena Rueda, and from former District Attorney Antonio Santillan.

According to the acting chief justice, now that this stage has been completed, the case file will be sent to the Supreme Court, which in accordance with judicial procedure will submit the case to the Chuquiasca district court for trial.

The public eye is again on the Huanchaca affair because even though 18 months have passed since the triple murder, no progress has been made in clearing the case up. Several groups of citizens have complained about the leniency that has been shown criminals and about the alarming number of crimes that are going unpunished.

When Dr Antelo remarked that there was extensive corruption in the administration of justice, he added that this was a "widespread problem, not just in Bolivia but throughout Latin America, and Santa Cruz has been contaminated as well."

8743

CSO: 3348/230

CENTRAL BANK ANNOUNCES REORGANIZATION, BUDGET CUTS

La Paz PRESENCIA in Spanish 10 Mar 87 p 7

[Text] The Central Bank of Bolivia (BCB) will cut its budget by 45 percent in 1987 and will return to the state \$20 million of the \$45 million earmarked for it during the current fiscal year, the president of the BCB, Javier Nogales, stated.

Nogales described the move as "a contribution to the country's development and our way of paring back spending and returning to the state part of what belongs to it from the construction of this building, which is one of the most expensive on the continent."

The BCB president was talking about reducing the space that the bank offices would take up in the 27-story building that it now occupies almost entirely. Under the bank's restructuring plan, it will reserve eight floors for itself and rent the others.

The first six floors of the building will be occupied by the Foreign Ministry, and the bank will make remaining ones available to embassies and international organizations in accordance with the offers that it receives.

Nogales explained that the funds would bolster the BCB budget. As for budget cuts, he mentioned paring back outlays on rent, new real estate investments, labor costs, transportation and refreshments.

Furthermore, the BCB president said that the Republican Museum may be transferred to the old BCB building on Ayacucho and Mercado streets.

Staff Cutbacks

According to official estimates, 450 of a total of 1,250 Central Bank employees will remain in their jobs. However, to date close to 1,000 officials have resigned. Nogales said in this regard that bank authorities are talking with some employees to dissuade them from retiring. He described these negotiations as "successful."

He also commented that benefit payments to retiring workers have been estimated at \$3 million, which will come out of the BCB budget.

With regard to the more than 900 officials of the Bolivian Central Bank who submitted their resignations up to the 28 February deadline that the authorities had set, Nogales said that they did not send letters of resignation but rather "a letter that expresses their desire to avail themselves of voluntary retirement."

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CSO: 3348/230

MOTIVES FOR BANK'S REORGANIZATION QUESTIONED

La Paz PRESENCIA in Spanish 7 Mar 87 p 3

[Article by Fernando Baptista Gumucio]

[Text] The outcome of the Labor Ministry's efforts to reconcile the Board of Directors of the Central Bank and its employees is still uncertain. The uncertainty is largely due to the fact that the real reasons for the announced reorganization of the centerpiece of the national financial system are unknown.

Far from clarifying the motives, DS [Supreme Decree] 21513 makes them almost hopelessly confusing. The only clear-cut fact is that the supreme decree abolishes career banking and removes the skilled personnel who could interfere with Board of Directors decisions on such important matters as the handling of the foreign debt and the allocation of foreign exchange through the outside market [bolsin].

DS 21513 essentially repeals the provisions concerning the administrative career, which is fundamental in every bank, both public and private. Therefore, such an order cannot be regarded as an institutional reorganization, because it boils down to an administrative dismantling whereby personnel are indiscriminately dismissed or encouraged to retire.

Article 2 of DS 21513 repeals Articles 33 and 39 of the Organic Law of the Central Bank of Bolivia, which states that the general manager and division managers are necessarily employees of the bank. Repealing these provisions thus places limits on the just ambitions of Central Bank personnel who owing to their dedication and training in various centers of learning here and abroad deserve to hold those executive positions, and the sole purpose of the repeal is to bring in people from outside the bank. This not only frustrates the ambitions that are implicit in any banking career but also opens the door to partisan favoritism.

For the same reason the supreme decree repeals Article 1 of the Decree Law of 24 April 1937, which established an administrative procedure for the retirement of bank personnel with more than 5 years of service, and in contrast reaffirms the full right of employers, as provided for in Article 55 of Supreme Decree 21060, to hire and fire whichever workers they choose.

If the abuses of certain labor leaders are the official justification for the massive, indiscriminate dismissal of Central Bank personnel, then the government is confusing the cause with the effect. One of the state's primary obligations is to preserve and protect our human resources as carefully as it does our natural resources, and perhaps even with greater justification. The government's insistence on reorganizing the Central Bank without a consensus as to the future role that the bank will be assigned is another reason to doubt the real motives behind it. What is more, Article 5 of the supreme decree provides for part-time, half-time or piecework managers, which would not seem consistent either with the desire to institutionalize the bank in the sense of establishing functions and demanding timely accountability from managerial personnel.

Perhaps this whole hierarchical mess could have been avoided by creating the positions of executive vice presidents and respecting career banking up to the aforementioned managerial posts.

In short, whatever the motives for the Bolivian Central Bank reorganization, there is no justification for the lavish benefits and bonuses offered to encourage the indiscriminate retirement of bank staff, as they grossly exceed those accorded white- and blue-collar workers in other sectors.

8743

CSO: 3348/230

GERMAN FIRMS SAID INVOLVED WITH ARMS EXPORT TRADE

Hamburg DIE ZEIT in German 20 Feb 87 p 48

[Article by Stefan Schirm under "Defense Industry" rubric: "Weapons Instead of Coffee: Brazil Is Resupplying the World's Wars"]

[Text] Arms exports and weapons deals provide for headlines, parliamentary investigatory committees and government crises in Europe and the United States. Meanwhile, a country that one would not have expected is very quietly developing into one of the world's largest weapons producers and suppliers: Brazil. With state support, the country's defense industry has already attained fifth place among the world's largest weapons exporters after the United States, the Soviet Union, France and the FRG.

Whether Libya's Qadhafi intervenes in Chad with Brazilian wheeled tanks of the types "Cascavel" and "Urutu," whether Iranian soldiers in the gulf war knock out the Brazilian tanks of the Iraqis with Brazilian antitank rockets, or whether the Nicaraguan Contras fight against the Sandinists with Brazilian grenades, there is hardly a war in the world being waged without Brazilian weapons. Whereas as late as 1975 the South American country was not exporting any armaments at all, the value of the exports of the war business reached well over \$3 billion in 1985 and thus even exceeded the traditional export product coffee.

The rapid development of the defense industry, which is 50 percent state owned, took place under the strong financial support and control of the armed forces, which had governed the country for 21 years until March 1985. Their goal was to use weapons exports to obtain foreign exchange for financing their ambitious industrialization plans and to reduce their military and political dependence upon the hegemonic power the United States. The decisive impetus for the arms boom was the revocation of the military treaty with the United States by the Brazilian Government in 1977. President Carter had gone too far for the military when he linked American arms deliveries to democratization and human rights.

Meanwhile, they have attained almost complete military independence: more than 70 percent of the arms required by their own armed forces are produced domestically. Today, however, 70 percent of the foreign exchange brought in by exports must go for interest and principal payments on the foreign debt of

\$104 billion, which was in part accumulated through the importation of expensive arms know-how and licenses.

More than 110,000 Brazilians work in 350 factories producing armaments ranging from machine guns to tanks and rockets to jet fighters. More than 90 percent of the production is exported. The center of the arms producers is Sao Jose dos Campos to the northeast of Sao Paulo. Whereas millions of Brazilian households have to get along without an electric power supply, there they consume as much electricity as in the 16 least industrialized states combined.

The aircraft concern Embraer also has its headquarters in Sao Jose dos Campos. It made the leap from a pure licensee to a licensor in just 15 years. Of the "Tucano" military training aircraft developed in Brazil and sold hundreds of times in the world, 130 are now even being built under license in Great Britain and 120 are being assembled in Egypt, which is then shipping 80 of the aircraft to Iraq.

The "Brasilia," the new transport aircraft likewise developed in Brazil for military or civilian use, became a sales hit. There are purchase contracts and options for more than 150 "Brasiliass" from, among others, the United States, France and the FRG. The Lufthansa subsidiary DLT has so far ordered nine "Brasiliass," of which three are already flying in Germany.

The latest development and technical culmination of the Embraer engineers is the AMX fighter bomber conceived in a joint venture with the Italian firms Aeritalia and Aermacchi and scheduled to go into production at the end of 1987. With the AMX, the Brazilians want to break into the high-tech market of jet fighters dominated by the industrial countries. To be sure, Embraer is controlled by the air force through a blocking majority of 51 percent but it also obtains its capital from private investors. The Brazilian subsidiaries of VW and Mercedes are also participating in Embraer through investments enjoying tax privileges.

Engesa, the largest Brazilian armaments enterprise, is also the largest manufacturer of wheeled tanks in the world. Engesa and Embraer produce almost exclusively their own developments but for important components they rely on multinational concerns, in particular German companies as well.

According to the technical publication JANE'S DEFENSE WEEKLY, for example, Engesa's wheeled tank "Urutu," of which more than 300 were sold to Iraq, is also being offered with engines from Mercedes Benz. The tracked tank "Osorio" uses engines from the Brazilian subsidiary of Motorenwerke Mannheim (MWM) and if desired can--if there is a final-destination approval--also be equipped with MTU engines.

The "Osorio" is intended to compete with the German "Leopard." Saudi Arabia also promptly showed interest in the licensed production of 2,000 "Osorios," half of which are to go to Iraq. An especially paradoxical constellation of the German arms cooperation with Brazil results for the Iranian stockholders of the Krupp concern: the Brazilian subsidiary of Krupp supplies some of the parts for the tanks utilized by Iraq, Iran's enemy in the war.

The navy also relies on German arms technology. In its Rio shipyard, it is preparing the licensed production of three submarines of Type 209 from the Howaldtswerke Deutsche Werft (HDW). Another one is being built in Kiel. A transfer of know-how is supposed to allow the Brazilians to produce more than 50 percent of the parts for the last two submarines domestically. In the 1990's, according to Brazilian military people, they want to develop their own nuclear submarines on the basis of the knowledge so acquired.

The successful formula for the booming sales of Brazilian weapons in the world market is in the fact that they not only reproduce foreign arms but also develop them further in accordance with the requirements of developing countries. Compared with comparable weapon systems of industrial nations, they are more robust, more flexible, simpler to operate and also cheaper merely because of the lower wage costs. An additional motivation for the buyers of Brazilian weapons is the country's independence from the superpowers in foreign policy. It sells to all and does not link its deliveries to political pressure. On the contrary, it exports both to rightwing dictatorships such as Chile and Paraguay and to such socialist countries as China and Surinam. Politically explosive deals are also made with hostile neighbors: while Israel and South Africa were getting aircraft, their Arab and Black African neighboring countries were supplied with tanks.

But the Brazilians are doing the most business in the gulf war. In the last 5 years, their most important customer alone, Iraq, ordered weapons for an estimated \$3 billion, which it is in part paying for with oil deliveries. Tucano aircraft, more than 1,000 Cascavel and Urutu tanks and the Brazilian "Stalinorgel," the computer-controlled "Astros II" rocket launcher, are in use there. But the enemy Iran is also operating with Brazilian weapons, which are mostly delivered by way of Libya to avoid the protests of Iraq.

Latin America is the biggest customer after the Middle East. The armed forces of two-thirds of these states are now equipped with arms from Brazil, which is becoming a regional hegemonic power. Here, as in the case of Iran, there are also triangular transactions and secret weapons deliveries. After the discovery of Brazilian grenades in a training camp of the Nicaraguan Contras at the beginning of December, the news magazine VEJA declared: "The Brazilian Government is using the same methods as Reagan," but, in contrast to him, "without being bothered by Congress."

In developing the armaments industry, the military leaders, who had revolted in 1964 in part under the impression of the Cuban revolution, put great value on the production of weapons that are suitable both in an external war as well as in combatting internal enemies. These systems have since become best sellers in exports to the Third World. Tucanos, Urutu tanks, and helicopters are in use in Morocco against the Polisario, in Peru against the Shining Path guerrilla group, and in Colombia against the M-19 fighters.

As spectacular and as profitable as the worldwide successes may be for the Brazilian arms producers, they are of questionable utility for the country's development. Quite apart from the brutal destructive effect of these weapons in many wars, billions were invested in Brazil in a branch in which only a few profit. They are investments that are urgently needed to push the development

of the country to better satisfy the basic needs of its inhabitants. A large share of Brazilians continues to be undernourished and lives in degrading circumstances without medical care. The armaments boom has certainly not helped to eliminate the crass social contrasts and the rift between the "two Brazils," between the industrial threshold country and the developing country, the majority of whose population lives in poverty.

9746

CSO: 3620/174

NNP IN-FIGHTING REMAINS SUBJECT OF BROAD ATTENTION

Interview With Brizan

St Georges THE GRENADIAN VOICE in English 3 Mar 87 pp 6-7

[Excerpts] Our Face to Face guest this week is the new Minister of Education, Culture, Co-operatives and Fisheries, Honourable George Brizan.

Q: That's as far as your ministry is concerned. But Mr. Brizan, in addition, people have been concerned about the present state of affairs within the New National Party. And some people have indicated that you, together with Dr. Francis Alexis and Mr. Tillman Thomas, was involved in a plot against the leadership of Mr. Blaise. They cite your recent refusal to sign the allegiance document. Would you like to comment?

A: Well that is complete garbage.

Q: Would you like to elaborate?

A: Well, if you not involved in anything, it has to be garbage. If people make allegations that's fine; Grenada is a country that has always been rife with what you may call insinuations and popaganda; it has happened in the past, it is happening in the present and it will happen in the future.

Q: Would you agree with General Secretary Dr. Keith Mitchell that the differences within the party are mainly more over the implementation of programmes rather than on ideology.

A: No. I think they are differences of substance; considerable differences in substance which must be ironed out. In fact, I think if we all stick to and follow what is written down in the manifesto, these differences will not emerge.

Q: One report in the regional press last week quoted Dr. Mitchell as saying

that truce talks are underway and it involves you. How have been those talks?

A: Well these are just generally exploratory discussions.

Q: And there were a recent report of a palace coup, and one news agency report said that if it had succeeded, you would have been offered the Prime Ministership. This might be an unfair question, but would you accept such a post in such a situation?

A: My commitment is to the service of the Grenadian people, and unlike others I am not preoccupied with position.

Q: What does that mean?

A: It simply means that I am committed to service, to serving the people, as I have always done, 21 years and over. I have served no other country and no other people, and I am committed to serving Grenadian people.

Q: So where do you see the New National Party going from here?

A: I am not a foreteller. In politics nothing is permanent, everything changes. There are a number of dynamic factors. But if, and I will say this, a true party is a party that enjoys the confidence of the broad section of the population. It takes a lot of hard work to do that, credibility, accountability and of course statesmanship.

Q: A lot of people have been saying that public enthusiasm for the NNP is at

a low. What you think could be done at this stage?

A: Well the people are out there. They are the ones who are in fact the key actors to determine whether or not they will support a particular party or not. I don't have any magic formula really. It is just a question of ability to organise. Building a political party is not like going on the beach and having a beach party. It involves a lot of things - and only those who understand what it is involved and have the confidence and credibility of the population then we can actually build a strong, viable, popular party.

Q: You said you are dedicated to service, and have indicated in the past you will not be quitting easily. When would you see enough becomes enough for George Brizan?

A: I am like Job in the bible (broad smile). Tremendous patience. But once I set my goals, I always achieve them.

Q: So what are your goals now?

A: My goals are always service, and to ensure that a broad section of the Grenadian population enjoy a better quality of life. To make sure that there is dignity for all in this country, and that the prejudices, be it of politics or class and so on,

do not continue to fragment us. And of course to ensure that there is reconciliation, particularly among conflicting sections of the population, be it in terms of their views or their own perceptions of what the country should look like.

Q: Are you satisfied that those goals are being achieved at the present time?

A: No I am not satisfied at all.

Q: So what action do you plan to take to see that they are achieved?

A: Me? By working. When I work in whatever area, I don't just work for people in one constituency. I don't just work for people of one kind of political thinking -- I work for the benefit of all Grenadians; and that is the only way forward.

Q: You had mentioned that the NNP differences are differences of substance, will you like to elaborate some more?

A: This is too detailed in fact to elaborate on this thing.

Q: But could you not comment briefly on even one aspect?

A: Well I prefer at the moment not to, quite frankly.

Formation of 'Mini-NNP'

St Georges GRENADA GUARDIAN in English 13 Mar 87 p 9

[Text] St Louis, Lalsingh, Husband and others have formed a mini party which is as strong as one strand in a spider's web.

Both St Louis and Lalsingh are renegades of the New National Party responsible for the infliction of VAT, other high taxes, unemployment and increase in quantity and quality of crime.

People are asking who would be the officers of this 'mini-thing'--a small piece from a 'weak thing' is much weaker than the 'weak thing' itself.

It is suggested that Mr Lalsingh would be the Mini-Chairman; Mr St Louis the mini political leader and Mr Husband would be the public relations officer. The three Senators would be the trustees.

People say that Chairman Lalsingh would be appointing two deputies to help him speak and preside over the mini party's meeting. His deputies would be Kicker-Boy Alexis and Donville Neckles who did the speaking on his platform in 1983 and who are now treated by Lalsingh as enemies and stran [as published].

People are saying that since Phinsley St Louis is an expert in bailing certain types of people like Victor Husband, he would lecture in Parliament on how to bail people that others refuse to bail; he would lecture on "ways and means" if ignoring the cases of young detainees, and how to spend most of one's time with helping senior terrorist officers in our society thereby maintaining the old adage "birds of one feather flock together."

People say that Victor Husband would be the public relations officer. He will approach members of the public with his chest touching his chin and his shoulders touching his ears. He will carry three guns to make people laugh and tremble with bucket-load of tears, and tell them how to become members of the Mini NNP. He may appoint Peggy Nesfield as his assistant.

Blaize News Conference

St Georges THE GRENADIAN VOICE in English 14 Mar 87 p 1

[Text]

PRIME MINISTER Herbert Blaize has said that he do believe the New National Party will become a united organisation.

"I have great hopes that the New National Party will this year consolidate its position and become..... a united organisation," he said at a press conference held here on Wednesday.

Mr. Blaize was responding to a particular question on the issue, and against the background of recent reports of friction within the New National Party. One top member had previously told the local press that the differences within the party were "differences of substance."

The Prime Minister reminded the reporters that three parties came together to form the NNP just four months before the December

1984 elections. He said the party had to unify itself while called upon to operate a government, which he said is not normal. He said most times people are called upon to form a government that have been in opposition for a longer time.

Asked if it is likely that the NNP will be able to contest the next general elections in 1989 as one-party, Mr. Blaize replied; "As far as I am concerned I am talking about the New National Party, this is one party and that is how we proceed."

He refused to deal specifically with the differences in the party. He did not comment on a report by another top Minister about the "differences of substance" saying the question was ill-directed, and should be directed to those who made the statement in the first place.

In apparent reference to the recent report of a palace coup attempt, Mr. Blaize said; "I have

heard of this yes, but no formal approach has been made. People talk outside, but nobody went to the Governor General."

Asked if anybody was disciplined in connection with the issue, he said "No not really."

Meantime, Mr. Blaize has said that the President of the United States Ronald Reagan, did not invite Labour and Legal Affairs Minister Dr. Francis Alexis to dine with him in Los Angeles.

A press release from the Ministry of Labour this week said Dr. Alexis "has been invited to dine with (the) US President." Another report stated that he was invited by the President to dine with him.

Speculations have been going on around here since, that Dr. Alexis might have been invited, so that an opportunity would be had to talk about the unity situation in the party here, especially against the background

of a similar visit paid by Mr. George Brizan to Washington recently.

Mr. Blaize said at the press conference that they were having a dinner for President's Reagan closest advisor Paul Laxalt, who was leaving the senate, and tickets were being sold for last Wednesday's dinner at the Los Angeles Century Plaza Hotel. He said one ticket was sent to him but he did not accept the opportunity, while his minister did.

Blaize on National Security Post

St Georges THE GRENADIAN VOICE in English 14 Mar 87 p 1

[Text]

PRIME MINISTER HERBERT BLAIZE has defended his decision to appoint a national security advisor, saying "we have a better chance to maintain security" as a result.

A national security advisor was appointed against the recommendations of the national executive of the New National Party.

Speaking to the press here, Mr. Blaize said, "the fact that we have appointed a national security advisor does not mean that he alone is a security sys-

tem." He added, "He (former Lt. col. Glen Mignon) has the contacts where necessary to help us maintain that security, and because I have somebody who is exclusively engaged in the question of security, I think we have a better chance to maintain security in the country."

He defended his decision against the party's executive advice to create a Ministry for National Security. He said if the party executive can decide on such a matter then there

will be two governments. Mr. Blaize said cabinet is guided by the party's national executive, as by many other things but not obligated to it.

The press conference at which Mr. Blaize was speaking was the first in a series of promised "regular conferences." This week's press conference was Mr. Blaize's first in a year.

He said the government is planning to do something about improving its public relation image.

Move Against Blaize

St Georges THE GRENADIAN VOICE in English 21 Mar 87 p 3

[Text]

TWO government ministers acted against Radio La Baye in June 1985 allegedly to topple Prime Minister Herbert Blaize.

Owner of the ill-fated station, Stanley Charles, who is now back in Grenada for "a short while" said he understood that two ministers, who are now opposed to each other, had moved to get the station to be closed so that Blaize will fall with the lost of credibility.

Charles did not give the source of the information but told the VOICE; "We have come full circle and the issues of internal coups are

still a matter of street speculation."

He added; "I being somewhat naive, expected the Prime Minister to be decisive and lead from in front. However, it appears that his administration is devoid of leadership qualities."

Charles said that as a result of this, people have lost confidence in the government's ability to act decisively.

The BBC-trained journalist says he is seeking for the removal of senior police official Raymond Stanislaus and a Sargeant Marrast from the Royal Grenada Police Force, while an investigation is carried out into the behaviour surrounding the Radio La

Baye issue back in 1985. Charles is claiming that these two, stationed in Grenville at the time, acted improperly. He said they did not act independent of the political machinery in carrying out duties against Radio La Baye.

Charles and his partner Paul Roberts are expected to appear in court next month in the Radio La Baye case.

Radio La Baye was closed down in mid-1985 after about a week of "test" broadcasting. Government closed down the station saying the owners did not have a license to operate. The owners claim they did.

In February of this year, *Grenadian Voice*

reported that a minister had given the undertaking to get Radio La Baye back on the air by mid-year, and that government wants to settle the issue out of court but that the owners were not satisfied with the compensation money.

Charles also commented on the "compensation" issue saying that he did not think they were being unreasonable by calling for \$26 million in compensation. "I think we have to be realistic. There are other people who are suing this government for much more, and as I indicated before, we don't necessarily need \$26 million in cash," he said.

NNP DISARRAY HELPS GROUP BENT ON 'ENSLAVING' PEOPLE

St Georges THE GRENADIAN VOICE in English 7 Mar 87 p 7

[Lloyd Noel column "On Law and Politics"]

[Excerpts] I guess by the time you are reading this article, most readers would have by then digested the contents of the recent budget proposals, made by the P.M. and Minister of Finance on the 20th February.

And while all these Taxes are being re-introduced under different names and in different forms, and the punitive measures continue to depress the Economy as a whole, and the in-fighting within the ruling party escalates to the level of public platform statements - about who are loyalists and who are traitors - another with very different intentions of their own, but hell-bent on enslaving Grenadians again, are quietly but steadily making inroads into the very foundations of our Society - in manner almost akin to the early days of NJM in 1973/74.

This group, with its wings spread all over

the country - and with very strong ideological contacts within the region - is being funded from a source based in Canada, but that is only the gateway for the real funding agency which is centred in the middle or far East.

The group's members and field workers are mainly drop outs from the divided ideological conflict that split up the NJM and PRG, and some are simply caught up in what they are misguidedly thinking is the right road to Economic and Social justice - on the way towards true and lasting freedom in a just society. They have penetrated into the homes of the

poorer sectors of the community, with offers of scholarships to Secondary School studnets; they are into the handicraft and co-operative sector of the Economy, where the participants like to feel they are independent; they are branching out into pre-primary and day care centre Schools for poor working mothers; and in the most classic form of Marxist/Leninist teaching and practice, they are again using the CHURCH as a base for their Liberation Theology, neatly and very subtly packaged as the true Christian principles enunciated by Christ in the Beatitudes.

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CS0: 3298/177

OPPOSITION MP'S HOLD PUBLIC RALLY, SLAM NNP ADMINISTRATION

St Georges THE GRENADIAN VOICE in English 14 Mar 87 p 1

[Text]

THE OPPOSITION MEMBERS in parliament, both in the houses of representatives and senate, led by the Opposition Leader, Mr. Phinsley St. Louis, held their second public meeting at River Road on Wednesday night.

At least three of the five speakers at the meeting were critical of the New National Party's economic policies. In direct reference to the Value Added Tax (VAT) and the 2 1/2% Tax Levy on gross sales, Mr. Kenny Lalsingh - Parliamentary Representative for St. Patricks West, said that these taxes are meant "to kill the poor of this country." For his part, Senator Albert Forsythe said, in relation to the property tax where Government will charge 1/2% of houses valued over \$30,000.00, "this is yet another economic blunder which will strangle the people of this country." He said that, already with the "burdensome" tax of VAT, the 2 1/2% tax on gross sales busi-

nessmen have to pay and the 1/2% property tax along with the planned retrenchment of 1800 workers this monthend - there is a gloomy economic period ahead for all in Grenada.

Former NNP candidate, Senator Pope McLean lamented on the unequitable payment of the VAT. He noted, that the man or woman who is working for \$150.00 a week, \$2,000.00 a month or even as much as \$10,000.00 a month all have to pay the same 20% VAT. "What about the unemployed?" he asked.

Opposition Leader Mr. Phinsley St Louis pointed out that the recent increase of 'hard' drugs in Grenada referring to cocaine, is the responsibility of the 'Big-boys' in this country. He explained, "it is very impossible for the 'little-boys' to purchase this drugs since it is an expensive drug. Therefore, it is only the big-boys with the money and the contact in and out of Grenada can make the deals."

GULP ORGAN REPORTS, COMMENTS ON POLITICAL ACTIVITIES

Review of Party Documents

St Georges GRENADA GUARDIAN in English 13 Mar 87 p 3

[Text] During the last week-end a committee headed by Mr Derek Knight, Q. C., met for the purpose of revising GULP's constitution.

GULP's constitution was last published in 1959.

For some time now members of GULP's Executive Council have been considering proposals for the revision of the constitution. Certain persons outside the Executive Council were also asked to make an input and submit worthwhile proposals.

During the sitting several documents were presented to the committee for study before inclusions into the revised constitution.

The Committee comprised five GULP MEMBERS and two non-members as follows: Mr Derek Knight, Q. C., GULP Executive Member, Chairman, Mrs. Winifred Strachan, GULP Executive Member, Mr Herbert Preudhomme, GULP Executive Member, Mr Cuthbert Campbell, GULP Executive Member, Secretary, Dr W. R. L. Friday, Non-Member, Mr Reynold Benjamin, Non-Member.

The Committee worked very diligently and gave serious consideration to every proposal submitted, documentary or otherwise.

The revised constitution is considered to be very important and somewhat urgent.

The committee plans continuing over this week-end.

Manifesto

This committee will also take the necessary action in updating the Manifesto which was presented during the 1984 elections. Many new thoughts are likely to be included to coincide with the several changes which have occurred in Grenada and on an international level.

Slap at NNP 'Arrogance'

St Georges GRENADA GUARDIAN in English 20 Mar 87 p 2

[Editorial]

[Excerpts] Perhaps everyone in Grenada knows that the New National Party did not win the last General Elections. It is very well known that the government was given to Mr. Blaize and his NNP colleagues.

However, the NNP ministers behave as though they have completely forgotten by what process they came into control of government. But how could they forget this salient fact?

Indeed, those who are responsible for placing the NNP over the control of our national affairs must at this time, be shocked and embarrassed at the level of pomposity, greed and arrogance that surround members of the NNP heiracy and their activities.

Now taking shape is a coalition of two NNP defectors--Lalsingh and St Louis.

Yes, the smaller child knows, and so does everyone else, that both St Louis and Lalsingh were with the NNP heart and soul, and with body and mind too, from the conception through the birth, the childhood, and left or thrown out during the NNP adolescent era.

It is quite obvious that Mr St Louis and Mr Lalsingh find great pleasure in criticising and disparaging their erst-while NNP colleagues, their brothers-in-arm. They, too, are "wrong and strong."

The episodes all seem to have pulled the rug from under the feet of Marcel Peters relegating him to the codification or designation; stripping him from all his political flories and trimmings to that of a "poor-me-one."

Peters must understand that Grenadians are too politically intelligent today to consider him as an honest person or politician. They know that he was simply an agricultural officer, taken and bathed, combed, groomed, uplifted and put into a political suit. The people know that Peters is not a politician, could never be a politician unless he had remained at least five years in the political school that offered him accommodation. But by his political greed and misconduct, he is completely booted out of school and is now simply a political delinquent trying to impress passers-by.

Attack on Peters

St Georges GRENADA GUARDIAN in English 20 Mar 87 pp 1, 4

[Text] Marcel Peters who betrayed the Grenada United Labour Party and the people of Grenada is continuing to tell lies to people who are tired and disgusted with him and his false stories.

Peters was a symbol of confusion in the Agricultural Department where he worked for over 20 years. Both his seniors and those who worked under him were in constant disagreement and in confusion with Peters.

Peters was down for dismissal by the Public Service Commission in the 1970's. He held a discussion with Sir Eric Gairy who, with the agreement of Cabinet, got Peters transferred on loan to the Banana Association in order to avoid his dismissal. He was called by Sir Eric in 1984 who, suggested that he might now try politics.

When government bought over the Carriere Estate, Sir Eric's government gave Peters the opportunity of getting the "Carriere Great House" and some acres of the best cocoa fields, for himself and family, where he now lives.

Peters was the first who suggested at the meeting of December 4, 1984, the day after the last elections, that he will not take a seat in Parliament because all his colleague candidates of the Grenada United Labour Party were cheated.

This matter was put in the form of a resolution to the meeting of 120 persons and was unanimously passed. So Peters stayed away for the first meeting.

But, it appears, that the whole of Peters body and mind were itching to go to Parliament for the salary and allowances and for the glory and prestige. Peters simply wanted to go there. "Dishonourably" for the 'honourable' title and for the salary and allowances.

But Peters was lying all the time. He never came out straight. He lied and lied and lied. He even lied to two Executive members of GULP on the Saturday proceeding the Monday on which he attended Parliament's second meeting, having received his papers the Monday before.

Peters had his Parliamentary documents ready to move into Parliament, and was lying to all those who told him that they heard rumours about his threat of treachery but, that man doubted, and doubted up to the Sunday night.

People, however, are vividly recalling the fact that at a public meeting held at La Potrie two weeks prior to Peters acceptance of his seat in Parliament, he very strongly denied any intention to take up any seat in Parliament. Peters said: "Those people who are spreading this false rumour are very wicked. I have absolutely no intention to go into Parliament with those wicked NNP. They know they did not win the elections, and if I go to join with them, I will consider myself to be a crook, a bad crook too. I would be a Judas. I would be a traitor to Sir Eric, to all of my colleagues in the Grenada United Labour Party and to all the people who voted for me."

Peters went on to swear and to doubt, and to call himself all sorts of ugly names if he should take his seat in Parliament.

The 300 or 400 people heavily applauded Mr Marcel Peters on that Sunday morning.

On that same Sunday during the afternoon Sir Eric Gairy and other members of GULP Executive Council, including Mr Marcel Peters, proceeded to Seamount where they all had lunch at the home of Mr Raleigh Thomas.

After lunch, in the open space, the day's second meeting was held, and Mr Marcel Peters repeated his denial of any intention to take up his seat in Parliament. He angrily and blatantly condemned those who were telling 'lies' on him. He cursed and swore, and repeated how he would consider himself a crook, a Judas and a traitor to Sir Eric Gairy, his colleagues of the Grenada United Labour Party, the people who voted for him, and the public as a whole.

Events have proven that all that time Peters' intention was focused on taking his seat. Marcel Peters was politically dishonest, still is and will ever be.

Why then would Sir Eric initiate a call for Marcel Peters? Indeed, Peters continues to tell lies.

Marcel Peters has been asking people within and outside of the Grenada United Labour Party to speak to Sir Eric on his behalf. He has been asking people to try to get an appointment with Sir Eric for him. But Sir Eric has been adamant and unyielding. Sir Eric has always said "I will forgive any man, woman or child who offended me. But they who have tricked or turned traitor to the Grenada United Labour Party, I shall let the people deal with them. I simply don't want to have anything to do with Marcel Peters."

Sir Eric Gairy stated, however, that when two members of GULP, on separate occasions brought a message to him on behalf of Mr Peters seeking an appointment to talk with Sir Eric, he (Sir Eric Gairy) advised one of GULP's Executive members to speak with Peters and let him know that if he writes a letter confessing guilt of his treachery with suitable apology, then and only then Sir Eric would consider whether or not he would see Marcel Peters.

Sir Eric learnt that Peters agreed to write such a letter, and that he would really like to go and talk with Sir Eric.

But simply to say that Sir Eric sent to call Marcel Peters is the undying continuation of that which characterizes that man, Marcel Peters as a bold liar.

15 March Rally

St Georges GRENADA GUARDIAN in English 20 Mar 87 p 3

[Text] A tremendous crowd of over two thousand people gathered at the Mt. Horne-Springs junction to hear Sir Eric Gairy and other GULP Executives on Sunday last, March 15.

The huge crowd was very enthusiastic and the speakers raised many interesting issues currently aching the hearts of Grenadian citizens.

Some of the matters discussed were: The Repossession And Disposal of Springs Estate (Farm); The Infliction of VAT; The 100 percent Increase in Drivers' Licences; The Trade Tax; The Purchase Tax; The Property Tax; Retrenchment; NNP's Use of GULP's Policies in Campaigning; Marcel Peters; The Messy Situation of Grenada Airways; The Power Struggle Among NNP Ministers; Their Inefficiency; The Importance of Agriculture; Brizan's Constant Appeal for De-emphasizing Agriculture; Impending General Election; Unemployment Especially Among Youths; Increase of Crimes; Some of GULP's Plans for Removing Grenada from it's Present Chaotic Situation, among several other important current issues.

This was certainly the largest meeting

held in that particular area and, by consensus, a clear indication of GULP's popularity momentum.

Sir Eric admonished the large crowd to speak welcomingly and friendly to erstwhile NNP supporters who are moving in the direction of the Grenada United Labour Party everyday. "They tried the rest, GULP has stood the test. They've returned to the Best".

A well-known woman, Eliza Alexander, died in the area. In consequence, Sir Eric opened the meeting by saying "I think that standing in silence for one minute in honour of a person who died is really a waste of time. I do not support this". Sir Eric paused for 30 seconds before saying "we have no time to waste. We must use our time beneficially. I now call on everyone here to join me in a two-min-

ute' silent prayer to God for the release and uplift of the soul of Eliza Alexander". Sir Eric had mentioned that the deceased gave birth to some beautiful daughters and some hardworking sons among whom was Calville, a young proprietor in that area.

As usual, Sir Eric led in prayer, followed by the hymn "to God be the glory." Many chants

were sung, and, what was an extremely beautiful and impressive meeting, was brought to a glorious ending with prayer.

Sir Eric thanked all those who contributed in some way or the other. He thanked those who organised bus parties; he thanked those who prepared the table with chairs and flowers; he thanked God and all present.

MBPM ACTIVITIES, CRITICISM OF GOVERNMENT REPORTED

Plane 'Scandal' Charges

St Georges INDIES TIMES in English 7 Mar 87 p 2

[Text]

NNP has remained totally silent on the matter relating to the whereabouts of the Government owned Bandierante aircraft since the INDIES TIMES exposed this major scandal. The former Minister of Civil Aviation and the current Minister seem to have been caught flatfooted and are unable to explain to the Grenadian people what has happened to the aircraft.

INDIES TIMES has learnt that the scandal is even worse than originally thought. We are hoping the NNP would have issued a statement based on our article of two weeks ago.

However, nothing has been forthcoming. We have been trying to get to the bottom of this story for the Grenadian people. Sources in New York says that the plane has been stolen by the friends of NNP who created the beast called Grenada Airways. The story seems to suggest that NNP in fact gave away the plane to the comen of Grenada Airways

in exchange for an associate company of Grenada Airways flying out the stranded Grenada Airways passengers into Grenada and back to New York over the Christmas period. Readers would recall that hundreds of Grenadians were stranded both in New York and Grenada by Grenada Airways. The scandal is full of underhand dealings. Our source in New York says that a charter flight by a 707 aircraft to Grenada and back to New York cost E.C. \$112,000.00. The three charter flights would have therefore cost E.C. \$336,000.00. The Bandierante which was originally purchases for U.S. \$1.35 million (E.C. \$3.65 million) was being advertised for sale by NNP for U.S. \$800,000.00 or E.C. \$ 2.16 million. The bug question is what happen to the difference between the cost of the charter E.C. \$336,000.00 and the value of the plane E.C. \$2.16 million. WHERE IS THE \$ 1.82 million? In any case the aircraft should not have been sold or exchanged

for these charters since the money collected from the passengers to warrant the charter must be enough to cover the cost of the charters. We again call on NNP to clear the air on this matter as the Grenadian masses would like to know what happened to their plane and money. Only recently an NNP big wig said that he did not have to continue in his government

big post for the small salary he was getting since he has his big job and high life in the U.S. that he can go back to. We hope that the masses money is not involved there. NNP must leave no STONE unturned in solving this mystery for Grenadians. No money to employ our Cuban trained doctors but millions being thrown away to foreign comen and their local agents.

Paper's Fund Drive

St Georges INDIES TIMES in English 7 Mar 87 p 1

[Text] The national newspaper fund has become necessary to assist your People's Newspaper at a time of growing financial difficulties.

Indies Times was launched on April th 1984 and has been coming out weekly ever since (but for a six week break at the end of 1986), [as published]

The main problem for the break at the end of last year was financial.

As you know the TIMES is not like the other newspaper in Grenada. They all have large advertisements.

We are told that a full page ad is \$. Ads therefore cover the cost of these newspapers. In addition big business friends of the papers subsidize them through the perfect cover; Ads. INDIES TIMES has no big business friends [paragraph as published]

We must tell you too that costs have been rising weekly. Paper, film, typing, etc, are getting more costly. So in order to survive we must ask you to help urgently.

Last Sunday we launched the fund at our NRC meeting. Party members present immediately made individual contributions of \$460.00. They pledged to get party groups to raise more. We ask you to give generously to the fund. You can make your contributions to the Fund at Kenrick Radix Chambers, Lucas Street, St George's or to the account of INDIES TIMES, NCB, St George's.

Give to keep your fighter for freedom going.

Representative-Council Meeting

St Georges INDIES TIMES in English 7 Mar 87 p 8

[Text]

The National Representative Council of the Maurice Bishop Patriotic Movement met last Sunday at Gouyave. The meeting was well attended and great contributions were made by its members.

There were lengthy discussions on the present state of the party and some of its organs. The meeting took a decision to sharply intensify the Party's work among the masses and reorganize some of its organs.

Great debate took place on the present political situation in the country and

what must be done. Members all agreed that the NNP government is the weakest, most inefficient and spiteful government in the history of Grenada. On the budget the members all agreed that the main feature that characterized it was retrenchment, "The budget is a retrenchment budget", Party Leader Bro. Radix stated. "It seeks to make 1800 workers go".

The meeting ended with a firm resolution that the party would increase its work amongst the masses, organize its work better and continue to expose the ills of the NNP regime.

Radix Comments

St Georges INDIES TIMES in English 7 Mar 87 p 8

[Text] MBPM's party leader Kendrick Radix described last Sunday's National Representative Councils (NRC) meeting as another milestone in the political history of Grenada.

"The party today discussed and put together new ideas for stepping up its organisational worker at a time when life in Grenada is demanding that new representatives of the working people must step forward to pull the country out of the morass NNP put it in" Radix said in summarising the days discussion.

Radix said that he had no doubt that MBPM is up to the task. "When I look around the room I can see many brothers and sisters who have struggled for many years," he went on, "there is no doubt that there is more than 100 years of struggle in this room today."

Radix pointed out that NNP was an artificial creation forced onto the Grenadian people. The make-shift party with no history nor base in the struggles of the Grenadian people has no idea of how to fight the real cause of the people. "None of the hopeful leaders inside the NNP have come up with a political agenda to solve the problems of the Grenadian people," Radix said.

"This is why I would say that the leadership crisis in NNP is 'Non Issue' for the working people. A solution to the crisis one way or the other will not solve the Grenada's problems," Radix stressed.

Radix concluded "having looked at the way we approached our work today I would say that we would celebrate tomorrow, March 2nd, the 192nd anniversary of Fedon Revolution know that we have not just laid down our people's struggles but instead felling that we have revitalised ourselves to pick up the pieces again. Like Fedon we must say 'the lion will strike again.'"

Radix News Conference

St Georges INDIES TIMES in English 13 Mar 87 p 8

[Text] MBPM leader Kenrick Radix renewed the call for the Governor General Sir Paul Scoon and Prime Minister Blaize to give full information on the bodies of Maurice Bishop and the October 19th Martyrs.

Bro Radix made this call at a press conference on Wednesday to mark the 8th anniversary of the March 13th Revolution.

Radix renewed the call to NNP to keep its election manifesto promise to hold a Commission of Inquiry into the events of October 19th, 1983. "It is still not too late for the regime to make sure that it acts in a proper manner.

Radix gave the press a full picture of the destruction of the Grenada social and economic life by the NNP.

He pointed out the many achievements of the Revolution and showed that NNP replaced it with mass unemployment, runaway crime and economic stagnation.

Reacting to a question Radix forcefully said that "Revolution is a legitimate tool to change for any oppressed people." He said that even legally, the doctrine of state necessity acknowledges that.

The agenda of MBPM include the equality of the people, includes justice, includes the demands of the people to live free from hunger and poverty.

Radix told the press that history has shown no man has the right to fix the boundary of the onward march of a nation Grenada, he said will march forward into the future.

Radix invited the press to the March 13th rally at Victoris, St Mark's on Friday, March 13th.

Radix at Anniversary Rally

St Georges INDIES TIMES in English 20 Mar 87 pp 1, 5

[Text] The glory that March 13th brought Grenada is a glory that will reign forever."

This was the theme of firey speech from Bro. Kendrick Radix last Friday at the March 13th celebrations in Victoria.

Radix said that there was a section of Grenada led by NNP and its friends who believed that manor would have rained from heaven when the invasion came in 1983.

"These people are just like a yard fowl." Radix declared, "you call them on the Sunday morning, 'keep...keep' come for corn, and then you just ring their necks"

It is just the same way the Yankees have these people. They called them loud and hard keep, keep come for corn and use them for anything they want" Radix said that time has shown that the so called "rescue mission" was nothing but an invasion to destroy the history and achievements of our people.

"Maurice Bishop walked this land, matured this land, gave this land dignity but today NNP don't want to call, his name" Radix

said. "But when Bishop travelled he always come back with major projects for Grenada. Democracy now give us a Prime Minister who we hear just sprawl down a table of food in Canada and come back empty-handed." Radix went on, commenting on the planned mass retrenchment Radix said that the first persons who needs being retrenched is Blaize.

He said that the slogan of Grenada today was RETRENCH NNP NOT WORKERS.

Radix told the cheering crowd that "the NNP budget was nothing but a retrenchment budget "Nobody can say the budget has anything in it for poor people", he went on. Radix made it clear that the NNP policies are geared at creating more hardship in the country.

He showed how the rights of poor people are being destroyed in the country and that their lives were worth nothing. He gave the example of the death of Michael Plenty to show how poor people

children lives were wasted. Plenty he said died of a septic toe because no one cared about his life.

"In it was in the time of the Revolution someone must have answered for Plenty murder" Radix went on.

"The NNP must answer to the parents of Plenty for the carelessness which wasted such a young life" he said.

At the same time the NNP is moving to build a police state for state terrorism.

"But they must remember Gairy" Radix blasted "If they start to beat up people in the street like Gairy is Revolution in you skin, if they start to lock up and flush head in toilet is revolution in you skin, if they start to kill and disappear is Revolution in you skin."

The chanting crowd left Victoria full satisfied that the strength and power of the Revolution is once more being reflected through power of the people as shown on Friday.

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CSO: 3298/177

LAYOFF OF CIVIL SERVANTS TERMED NECESSARY; UNION RESISTS

Government Stand

Port-of-Spain DAILY EXPRESS in English 23 Mar 87 p 19

[Text]

ST GEORGE'S, Sunday (CANA-Reuter) — The Grenada government, facing strong criticism from the labour movement, says public finances could collapse if it does not go ahead with the retrenchment of 1,800 civil servants.

The government's position was put in a letter to the heads of three public sector unions in which it rejected calls for a withdrawal of letters sent to civil servants offering them a voluntary retrenchment package.

The government is offering its employees gratuity in exchange for early retirement as an enticement to reduce the

civil service by 1,804 workers.

The letter, signed by the Cabinet secretary, indicated that government would be striving on the average to achieve a monthly reduction in its payroll of about EC\$1.3 million.

Grenada's 7,000 civil servants are represented by the Public Workers Union (PWU), the Grenada Union of Teachers (GUT), and the Technical and Allied Workers Union (TAWU).

CPSA Criticism

Port-of-Spain DAILY EXPRESS in English 23 Mar 87 p 19

[Text]

ST GEORGE'S, Sunday (CANA) — President of the Caribbean Public Service Association (CPSA) David De Marque has accused regional governments of pursuing common policies against the interests of public servants.

Addressing yesterday's annual general meeting of the Grenada Public Workers Union (PWU), De Marque called for careful and well-calculated "militant

action" by union members.

He stated that in many cases the policies of "common attack" emanating from the governments on the unions result from the International Monetary Fund (IMF) and other financial consortia when they seek loans and "political favours."

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CSO: 3298/177

DISPUTE DISRUPTS ANNUAL TAWU GENERAL MEETING

St Georges THE GRENADIAN VOICE in English 10 Mar 87 p 1

[Text]

THE ANNUAL GENERAL meeting of the Technical and Allied workers Union (TAWU) ended prematurely in confusion and controversy last Saturday at the GBSS auditorium with virtually no business being accomplished.

Election of officers was called off, and a motion of no confidence in the present President, Wilfred Hayes, was not voted upon.

TAWU appears to have been broken into two separate and aggressively opposing camps as evidenced by pamphlets which were being handed out just before Saturday's meeting. One camp is supporting My. Hayes, and another behind paid executive Chester Humphrey.

One pamphlet declared; "In the coming period, our union needs a strong, democratic, dedicated, fighting, independent and experienced team to lead and to defend your livelihood, to make sure your interest is well represented. No man can serve God and the devil at the same time - likewise, no man can serve the workers while employed and paid by the employer."

This pamphlet was being distributed by Humphrey supporters, and the quote obviously referred to Hayes who is employed with the Grenada Electricity Services. Humphrey, meantime is a full-time union employee.

The other pamphlet distributed by Hayes' supporters stated; "There is a serious threat hanging over the head of the Technical and Allied Workers Union which would subsequently endanger the whole state. This is being generated by the extreme left, since the beginning of the post-revolutionary era. Now that they have come out in the open, they are eagerly trying to build their poisonous nest in TAWU for their selfish ends."

Humphrey was a member of the New Jewel Movement which ruled Grenada between 1979-83 and he successfully resisted, through the courts, efforts by the U.S. Government to have him extradited to stand trial for "transporting arms across a state border".

The meeting, which began at about 10.00 a.m. and ended after 4.00 p.m., was filled with arguments and counter-arguments from the time it started. The first "hiccup" came after Mr. Hayes read the agenda and objections were raised. Then after the minutes were read Mr. Humphrey expressed the view that the document from the last A.G.M. should not be confirmed because there are a number uninvited people at the meeting who were "imposing themselves on our organisation". "Clearly, what we are having today" Humphrey declared, "is not an annual general meeting, but it more seems to be an NNP general meeting" - basing his comments on some of the faces he had seen. He then suggested that elections should be suspended because it was not possible to tell who, and who were not, TAWU members.

Humphrey was accused by some members at the meeting of causing trouble, and he subsequently withdrew his suggestion.

Humphrey himself later moved a vote of no confidence in Hayes, and again withdrew it saying no one could determine the members.

Although the meeting elected Clarence Lewis (employed with GESL at Carriacou) to conduct the elections, there was so much chaos and disorder that no elections were held. The meeting ended, prematurely, but no new date was set for the elections. Just before the meeting ended, one worker, Roy Cooper, expressed disappointment at how the officials were going about dealing with the workers' business and felt there was too much confusion and quarrelling; He said, "whenever it comes to tackling the poor man's question - the poor man's bread and butter, people always dangle."

SEMINAR TOLD NNP PLANNING FORMATION OF YOUTH ARM

St Georges THE GRENADIAN VOICE in English 3 Mar 87 p 1

[Text]

THE YOUTH Officer of the New National Party Simon Baptiste says he hopes to have a vibrant youth arm of the party going by mid-year.

Baptiste says he feels confident that this could be achieved, and feels he and his colleagues are equipped to make it work following a week-end seminar on the "Formation and Management of Political Youth Arms."

The seminar, sponsored by the Grenada Institute for Democracy, (GIDE) and conducted by the Caribbean Youth Conference was held at Commissioning Hall of the Ministry of Health last week-end.

Youths from parties in Guyana, Trinidad and Tobago and Grenada took part in the seminar.

According to Baptiste, there are only two functioning youth groups of the NNP in the state. "These two functioning groups are in the St. George's North West constituency -- that is Dr. Keith Mitchell's constituency, but we have quite a lot of youths who are members of the party in the other constituencies, but who are involved in the general party groups," Baptiste told the VOICE yesterday in an exclusive interview.

"What our task is now is to get those youths from out of those groups and create a separate youth constituency body, and then get representatives from the 15 constituencies to represent on a national body.

Baptiste says he sees no major problem in getting the youth organisations going, adding that it is just a matter of time.

Baptiste was elected

as NNP's Youth Officer at the party's last convention in December.

Baptiste was foremost in co-ordinating last week-end's seminar which was formally declared opened on Saturday morning by Youth Minister George McGuire.

In delivering the feature address at the opening, Mr. McGuire acknowledged that the Caribbean's political process needs to be more dynamic in involving the young people in affairs that will have an effect on the quality of their life. He said the formation of youth arms of the various political parties are essential for continuity, peace and stability in the region.

He said that here in Grenada we need a mass movement among young people who will stand up and say no to injustices. "(Youths) who will say with all

effort, no more ---- too much trauma and tragedy ---- let good sense and peace prevail." Mr. McGuire implied that Grenada could be a place where such a start can be made since "the education system is on a sound footing" and children were no longer being taught "to go forward with the pen in one hand and the gun in the other" referring to the days of the People's revolutionary Government.

Also addressing the seminar was Senator Norton Noel, who represented GIDE.

Among those attending the conference was Secretary General of the CYC, Manzoor Nadir.

The CYC was formed in 1982, and is a regional grouping of youth arms on parties "who believe in democracy". The NNP joined the fold soon after the 1984 general elections.

U.S. OFFICIALS VIEWED AS 'SPOILERS'

Tegucigalpa LA TRIBUNA in Spanish 27 Feb 87 pp 5, 68

[Editorial by Anibal Delgado Fiallos: "Habib, So Stupid It Hurts"]

[Text] For a self-respecting leader, it must be particularly unpleasant to receive visits from those special envoys, whether civilian or military, who come from the Mother Country to these poor offspring to pressure, blackmail, promise, order, or simply lie.

Gen Walter Lopez was saying last Tuesday on Radio America that a high-ranking official of the Reagan Administration, the arrogant and disrespectful Robert McFarlane, tried to impose on the High Military Command of Honduras decisions that affected the nation's interests.

When his Honduran interlocutors, who were not exactly the leaders of the traditional parties, took a firm stand, he had no alternative but to storm out like an offended royal personage. But first he declared—what a wretched obsession!—that failing to support the United States Government, even in its wildest schemes, was tantamount to falling into the web of the Soviet Union.

But there are politicians with obsequious souls who not only do not reject such offensive interference, but actually demand it. Democracy in Honduras is impossible, say the babblers in the Presidential Palace, without the presence of American troops in national territory and without the presence of transnational, totalitarian, and expansionist capital in our economy.

Obsessive politicians, sell-outs to the point of nausea, they continue to think of democracy as a mere imported good, or as the exclusive product of the academic circles of the empire.

They are incapable of seeing that the political model which is being imposed on us and which the traditional political bands are accepting in the spirit of colonialism has no other purpose than to reinforce the bonds of backwardness and dependency, never to promote economic development or to strengthen national independence.

That interventionist mobilization is humiliating to Hondurans. When this character Philip Habib announces his arrival in Honduras, everybody knows he

is not on a peace mission, but is here to dismantle any achievements that may have been made to bring tranquility to the area. Like those generals from the Panama Canal Zone, he comes to stab our weak leaders in the back, to perversely misinform them, and to promise them heaven and earth if they remain allied to the war-mongering movement.

That mobilization means war, although it is cloaked in the sweet phraseology of peace, and is motivated by the central objective of the Reagan Administration: to intervene in Central America in order to turn back the clock to before 1979. This is because new events are taking place in Central America, and they are changing the traditional status of backwardness and subordination.

And against this backdrop of ignominy, our leaders and traditional politicians are dancing without shame. This is the price they must pay to be chosen as the straw men of the empire; this is the price they must pay to be able to play the meager role of administrators of the backwardness and the most shameful dependency. To remain in power or to attain office in the republic, it is worth putting up with the idiocies and the audacity of the American envoys . . .

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CSO: 3248/258

DOMESTIC ECONOMIC ISSUES ADDRESSED AT AREA CONFERENCE

More Development, Prosperity Stressed

San Pedro Sula TIEMPO in Spanish 14 Mar 87 p 4

[Excerpts] Tegucigalpa--On behalf of President Jose Azcona, Jaime Rosenthal opened the 1st Central American Economic Conference on Trade, Investment, and Development the night before last.

The conference, which ends today, has gathered together figures from Latin America and the United States in an effort to find mechanisms that will help overcome the obstacles that impede development.

Among the leaders who came to this country to take part in the event are former U.S. Democratic presidential candidate Eugene McCarthy, current Vice President of Costa Rica Jorge Manuel Dengo, former President Luis Alberto Monge of that country, former President of the Latin American Export Bank (BLADEX) Willen de Marez Ayenz, and Administrator of the United Nations Development Program (UNDP) Arthur Brown.

Also of note is the presence of U.S. Congressman Jerry Lewis.

About 100 people listened to the first speeches yesterday on the subjects of "Strategies for the Expansion of Trade," "Coordination of Monetary and Fiscal Policies," and "Central American Common Market." The debates are taking place at the Central Bank Club in the La Granja district.

Today's agenda includes papers on local and foreign investments, balanced and stable production, privatization, and other alternatives for development.

Jose Azcona could not attend the opening ceremonies at the last minute, and he designated Jaime Rosenthal Oliva to read his speech. Rosenthal is one of the three co-chairs of the conference, the other two being Luis Alberto Monge and Eugene McCarthy.

According to President Azcona Hoyo's speech, as read by Rosenthal, "The purpose of this first conference is to increase Honduras' presence on the international scene through active participation and activities in international organizations.

"To build and consolidate the nation we Hondurans desire, it is our duty and responsibility to lay the groundwork for a truly sovereign nation.

"For this purpose, the true [words indistinct] of peoples, maintain peaceful and cooperative relations with all nations, and fulfill international commitments within the framework of fair and equitable relations."

In this regard, the government hopes that the National Development Plan (PND) will enable it "to respect the principle of self-determination with all nations, and to fulfill its international commitments within the framework of fair and equitable relations."

The PND also aims at ensuring the common well-being of the population and boosting employment and production.

Denationalization of Industry Proposed

San Pedro Sula TIEMPO in Spanish 16 Mar 87 p 2

[Excerpts] Tegucigalpa--The transfer of productive enterprises from the government to the private sector "is the most promising approach" for rescuing the local economies, concluded the 1st Central American Economic Conference on Trade, Investment, and Development.

This process, known as "privatization," is a new approach that most countries, including Honduras, are adopting in the face of the challenge posed by budget imbalances, the foreign debt, and unemployment.

"Bankers, in particular, must make their role felt; they must provide sufficient credit on competitive terms for the strengthening of the private sector."

The conference, which brought together Latin American and U.S. experts for 2 days, concluded Saturday night with a recap of the papers in the form of recommendations and conclusions.

A document that thoroughly discusses the results of the meeting will be submitted to the next assembly of governors of the Inter-American Development Bank (IDB), which is scheduled to take place next week in Miami, in order to help design the strategy for regional development.

In general terms, the debates centered on barriers to exports in the form of protectionist actions in the major markets, ways of improving trade relations, financing exports through the Latin American Export Bank (BLADEX), and the situation of the Central American Common Market.

In addition, the conferees discussed matters related to finding mechanisms to improve the benefits of the Caribbean Basin Initiative (ICC) and the multiplier effect of the Jackson Plan.

The analysis of the investment program included the discussion of programs to promote popular capitalization and to stimulate private foreign investment and access to credit for risk capital.

The economic experts also debated the role of the Latin American Federation of Banks, the draft proposal for developing economic privatization plans, the participation of workers as shareholders in enterprises, and the development of capital markets through the Central American Development Corporation.

"There is a correlation between development and the political stability of the area. For this reason, the definitive solutions to the Central American crisis depend on the economic progress and the political, social, and economic reforms that are achieved to promote the common good," stated the president of Congress, Carlos Montoya, as he emphasized the importance of the gathering.

Carlos Montoya indicated that the results of the conference are being followed very closely in order to determine the priorities necessary to pass legislation and thus fuel the engine of economic development.

In the context of the conclusions and recommendations that were discussed at the last plenary session of the conference, specific ideas were put forth regarding the mechanisms that can streamline trade and attract investment for the purpose of promoting regional development.

In the end, it was noted that many Latin American governments are feeling the pressure of high budget deficits and burdensome foreign debts, and that the privatization of industries, services, and public agencies "is the most promising approach for overcoming the crisis."

"Foreign investment is not readily available," and traditional and non-traditional exports must be promoted. For this reason, the banking system must provide sufficient amounts of credit to finance the importation of components for exports, and for working capital.

"To develop new businesses, the banks should place more emphasis on the activity of projects," says one of the conclusions of the conference in a section where the predominant role of the banking system is analyzed.

The recommendations emphasized that "the mobilization of resources should begin at home, through the utilization of savings and the elimination of capital flight."

While the role of production is assigned to the private sector, the government's job is to create the conditions for businessmen to develop, says another recommendation.

It is up to the government to develop transportation policies that will boost the confidence of investors, and to eliminate barriers against private initiative. It should also recognize movements such as cooperatives and unions so that good relations between capital and labor can be maintained, given that this factor also encourages democracy.

8926

CSO: 3248/258

PEASANTS REOCCUPY BORDER AREAS EVACUATED BY CONTRAS

Tegucigalpa LA TRIBUNA in Spanish 9 Mar 87 p 7

[Article by Winston Calix]

[Text] Danli, Honduras—Carrying their "bojotes" [bundles], cots, and tools, as well as a few rations of food, just over a half a hundred peasants displaced by the war along the border with Nicaragua began to return to their homes, which they had abandoned due to the presence of the Contras and the incursions by the Sandinists.

Finally, a ray of hope lit up their faces: to return and begin again, after suffering hunger, abandonment, and misery, just like the other 12,000 displaced individuals whom the government has given only minimal assistance.

The displaced peasants come, for the most part, from an area dubbed "New Nicaragua" that was until recently dominated by the Contras. Their center of operations had been in Capire, also dubbed "Managuita," 12 kilometers from the border and 220 kilometers from Tegucigalpa, in the eastern department of El Paraíso.

But 2 weeks ago, a farmer and small-scale coffee grower, Luis Obando, assured LA TRIBUNA after a tour of the area that "New Nicaragua" and "Managuita" no longer existed, and that some 4,000 Contras had been moved 50 kilometers to the east, in the remote areas of Yamales and Banco Grande.

Other Contra troops (there had been about 12,000 men in the Capire area, according to coffee growers and displaced residents) "already crossed the border and are fighting in Nicaragua," say local residents.

This is the first time the displaced peasants have joined together to return to their land since the last exodus, which was prompted by the confrontations between the Contras and the Sandinists on Honduran territory late last November.

The heavy Sandinist incursion was then repelled by the Armed Forces with air support, as the positions of the Nicaraguan Army in Honduran territory were bombed.

Until now, about 20 families had returned one by one as the situation began to return to normal. They lived in the community of Arenales (20 kilometers east of Capire and 6 kilometers from the border), which is also the home of the displaced peasants who left Danli, the principal city of El Paraiso, last weekend.

The displaced residents expressed great satisfaction at returning to their homes, although they did not receive sufficient government assistance for that purpose. Only Caritas gave them food, while the Municipality of Danli donated machetes, bars, and hatchets for them to begin their work.

A boy smiled as he carried a chick in his hands, while Concepcion Herrera, 35, carried a rooster and lamented that "I could not get the hen" for raising chicks.

Even the truck that took them as far as Las Trojes, the closest village to the former "New Nicaragua," was provided by an altruist who was touched by the poverty of these displaced individuals. They had been living in modest dwellings in a poor section of Danli.

Meanwhile, other displaced peasants have managed to get along by crowding into the homes of friends or relatives. A small minority have been relocated under subhuman conditions in other parts of El Paraiso and in the neighboring department of Olancho, while some 1,200 are receiving assistance in the city of Danli.

The latter group is demanding that the Honduran authorities help them and that the U.S. Government pay them an indemnity. They are also calling for the "clearing of the area," to free it of Contras so they can return to their homes. This position is supported by the Honduran Association of Coffee Producers (AHPROCAFE), which has about 50,000 members throughout the country.

Maria Dolores Zambrano Nunez, one of the peasants who lives with 12 other families in a large house whose owner, Juan Calix Figueroa, charges them not a cent in rent, is one of the displaced people who are laying down conditions for their return.

Maria Dolores indicated that "I hope to return, once the entire area is cleared of Contras and the U.S. Government makes good on our losses."

Her comrade in misfortune, Josefa Adelina Acenso, was asked why the U.S. Government should indemnify them. She responded that "they help the Contras, and there is an uproar over their sending money to help us."

Acenso was alluding to the \$400,000 in cooperative aid provided by the Agency for International Development (AID) to help the displaced, with the Honduran Government chipping in \$25,000.

But the displaced peasants are complaining because they are living under deplorable conditions, and they are almost always hungry, as are their children.

Another peasant, Rosenda Nunez of Espanolito (one of the communities that have been totally depopulated), said that for her husband and eight children they were given 12 pounds of corn, 5 pounds of beans, 7 pounds of rice, 3 pounds of lard, and 3 pounds of sugar, all supposedly for 2 weeks. But it always takes over 3 weeks to get the new ration.

Calix Figueroa, the owner of the large house, commented that the situation of the displaced peasants is "a social time bomb that in the long run will affect the whole country; the children do not feel that the people or the government cares, and the young people and adults feel the same way."

He complained that "unlike the Nicaraguan refugees--some even sell flour and grain--the Honduran displaced peasants go hungry, but the ones who have caused this problem are the ones on the other side, because they have not allowed a democracy."

8926

CSO: 3248/258

PUN TO STUDY CORRUPTION IN JUDICIAL BRANCH

Tegucigalpa LA TRIBUNA in Spanish 20 Feb 87 p 6

[Text] The political commissions of the traditional parties, who are primarily responsible for the National Unity Pact (PUN), will analyze the situation of the judiciary at their next meeting, reported Oscar Melara, secretary of Congress.

Speaking specifically of the judiciary, Melara pointed out that "we cannot deny that there is some real concern in the National Congress about a few irregular acts that have taken place in that branch of government."

He indicated that some judges are not fully complying with the law, "and there is also a tendency not only to violate the law, but to favor people who are involved in crimes that have been specifically classified by the laws of the country."

Melara recalled that the National Congress allocated 21 million lempiras to the judiciary in the General Budget, and of that amount, 14 million lempiras was specifically earmarked for implementing the judicial career and improving the economic status of judges and magistrates "in order to prevent corruption."

He stated that the political commissions of the Callejist and Montoyist movements always discuss the progress of public administration in general whenever they meet, and "naturally, at their next meeting, whenever that may be, we believe the situation of the judiciary will be a subject to be discussed in the political commissions."

Regarding the results of that meeting, he asserted, "with all due respect, we hope that the anomalies that have been exposed through the mass media will be corrected and that a precedent will be established immediately, because if these things continue to happen, there could be a dangerous crisis within that branch of government."

He added that if a situation of this nature came up, the National Congress would be forced to take the steps mandated by the Constitution of the Republic.

He said that he does not know exactly whether decisions are being made on votes of 5 to 4 (along the lines of the Nationalist and Liberal affiliations of the justices) in the Supreme Court of Justice, that he believes legal criteria should prevail above all in judicial situations; they cannot be decided on the basis of numerical voting.

8926

CSO: 3248/258

MONTOYA EXPECTS 'HONEST, TRUTHFUL' CORRUPTION REPORT

San Pedro Sula TIEMPO in Spanish 6 Mar 87 p 3

[Text] Tegucigalpa—The president of the National Congress, Carlos Orbin Montoya, stated yesterday that he has complete faith in the internal investigation that the Honduran Armed Forces are reportedly conducting for the purpose of determining which officers are profiting on the business of providing weapons to the Nicaraguan counterrevolutionaries, as reported by respected U.S. news agencies on the basis of the findings of the Tower Commission.

Montoya said that he has no reason to doubt any report that the Armed Forces submit on this matter, because he is certain that "it will be faithful to the truth" and conducted "with all honesty."

In its Wednesday night session, at the request of Innovation and Unity Party (PINU) Deputy Enrique Aguilar Paz, the National Congress approved a motion to the effect that the Security Committee of the Legislative Branch should confer with the Armed Forces to learn the results of the investigation which President Jose Azcona Hoyo claims they are conducting.

When Montoya was asked why the National Congress did not name a committee of congressmen instead of just accepting the report from the military, he responded that the results of the investigation by the Armed Forces "are valid," because they "have their own investigative organizations," although "clearly the National Congress has the power to intervene in any matter of national interest."

He stated, however, that "we have tried to be prudent in the sense that we are confident that the commission investigating this situation will render a report that is faithful to the truth and with all honesty."

Having explained this position, Montoya added that "in fact the conduct of the Armed Forces in the last few years has become more and more professional, adhering not only to the juridical restraint imposed by this institution, but also to the laws of the nation."

"So," he went on, "we do not at this time have any reason to doubt the veracity and the efficiency of the investigations carried out by that institution."

When asked whether the prudence to which he alluded might not be better termed fear or intimidation of the deputies in confronting the military by intervening to investigate, Carlos Montoya responded, "No, not at all." Then he indicated that one merely had to observe the conduct of the military in recent times to confirm that the enforcement of legislation and statutes has forged the relations among the different institutions of the state and of the Armed Forces.

According to the president of the legislative body, in the United States a great deal of importance is attributed to "things" which are trivial to Hondurans.

"For example, the matter of trading arms for hostages: That is a typical problem in the United States, while in Honduras it is seen differently," he said.

In this connection, he pointed out that in our country there are much more dramatic problems than the matter of arms for the Contras or the presence of Contras in national territory.

Montoya denied having said earlier that "a war with Nicaragua was imminent," which all the media in the country quoted him as saying.

"I meant that a war inside Nicaragua was imminent," he said, although he reconsidered later and added that in the long run, when Nicaragua consolidates its government, there may be conflicts because "the guns will be aimed at Honduras."

Still referring to the matter of providing weapons to the Contras with the complicity of the Honduran military, Montoya said he is certain that these events occurred under the previous regime, under the leadership of other officers. "I think that was during the time of Gen Alvarez Martinez," he said.

He emphasized that Honduras' policy on the Central American conflict "is to seek as much neutrality as possible, not to intervene in the Nicaraguan conflict, and to maintain peace and security."

"In other words," he explained, "We are not going to fall victim to the failure of the Contras or to the expansionism of a pro-Soviet regime like Ortega's."

The Iran-Contra scandal that has been sparked in Washington, with the repercussions that may be felt in Honduras, is, according to Montoya, "a tragic problem, because even U.S. policy is so unstable, so controversial that we may be left out on a limb, and that is why we are trying to resolve matters as well as we can."

In Montoya's view, what is happening in Honduras "arises out of the fact that we are the victims of a reality made up of the East-West conflict, and we are forced into disagreeable actions."

MILITARY TO INVESTIGATE CORRUPTION CHARGES

Tegucigalpa LA TRIBUNA in Spanish 4 Mar 87 p 9

[Excerpt] The high command of the Armed Forces is investigating the allegation that Honduran military officials are involved in the trafficking of weapons for the Nicaraguan counterrevolutionaries, revealed President Jose Azcona yesterday.

The leader stated that so far no Honduran soldier has been found guilty of the corruption charges, which came out in the U.S. press. "The truth is that there is a lot of speculation, and we don't know that this is true," he contended.

Azcona explained he has no reason to intervene in the affairs of the Contras, in response to a question regarding accusations of corrupt acts by rebels within the country.

"I have nothing officially to do with the Contras, either good or bad. They say that military officials have been corrupted, but the Armed Forces are investigating, and they will know what they have to do if that allegation is true. If there is corruption among the Contras, I have nothing to do with it, because they are not my allies or my friends; I don't know them," asserted the president.

8926

CSO: 3248/258

BRIEFS

MRR RENAMED 'FLORIST LIBERAL MOVEMENT'--Tegucigalpa--The movement of Carlos Roberto Flores yesterday adopted a new name, on advice of the Suazo Cordova followers who support it. The purpose of the name change is to prevent the movement's slates from being rejected by the Central Executive Council of the Liberal Party [CCEPL] when it registers them today for the Liberal internal elections. The decision was adopted at a special assembly of coordinators of this faction, at the residence of Roberto Zelaya, who was manager of the National Agricultural Development Bank (BANADESA) under the regime of Roberto Suazo Cordova. The change from the Rodist Renewed Movement to the Florist Liberal Movement was approved by the majority of coordinators. The assembly also approved new bylaws for the movement on the basis of a draft submitted by Edilberto Castillo Santos. The leaders of the movement, headed by Carlos Flores Facusse and the political commission, were confirmed. Flores Facusse is coordinator general, Rafael Pineda Ponce secretary, Norman Roy Hernandez secretary of finance, Augusto Aguilar secretary of training, Marta Herrera secretary of women's affairs, and Roberto Micheletti secretary of transportation and organization affairs. The political commission consists of Oscar Mejia Arellano, Vera Rubi de Pineda, Miguel Lardizabal, Vidal Cerrato, Tomas Lozano, Jorge Reyes, Aroldo Lopez, Jorge Vasquez, Geovani Martinez, and Arturo Echenique. The Florists will go to CCEPL headquarters this afternoon at 1700 hours to present their slates for the local Liberal councils, delegates to the departmental assembly, and the big convention. [Excerpt]
[San Pedro Sula TIEMPO in Spanish 24 Feb 87 p 15] 8926

CSO: 3248/258

BRIEFS

VW INVESTMENT, PLANT CONSTRUCTION--Mexico City (DPA/VWD)--The Volkswagen Company will invest approximately DM 360 million this year and build production plants in Puebla. VW Mexico is already the largest automobile manufacturer in the country with a market share of over 30 percent. VW sold almost 54,000 vehicles during the first 10 months of the past year. [Text] [Dusseldorf HANDELSBLATT in German 9 Apr 87 p 17] /6091

CSO: 3620/200

BRIEFS

AIRPORT AID--Plymouth, Montserrat, March 25, (CANA)--Montserrat will seek financing from Britain and Arab sources for a study on construction of a runway at the Blackburne airport, according to Chief Minister John Osborne. He said Government would use the study as a master plan for development of the airport and protection of its environs. Montserrat has received a report by the London-based consultancy firm, Plessey Airport Group, on the runway project. It recommended construction of a 6,000-foot runway and associated terminal facilities, in two stages. Officials here said the improvement to the airport would put the small British colony in a position to handle the big aircraft. Osborne did not announce how much money was needed to construct the runway. He said during the coming year Government would attempt to improve safety and security standards at the airport in accordance with the international civil aviation regulations. This would involve provision of communications and navigational aids, replacement of runway lights, training and renovation of the existing terminal building. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 26 Mar 87 p 12] /9274

CSO: 3298/178

COUNTERINSURGENCY TRAINING DESCRIBED

Managua BARRICADA in Spanish 10 Mar 87 p 4

[Article by Jose Ramon Aguilar]

[Text] Nueva Segovia—The curricula for the military and moral retraining of BLIs have been structured on the basis of consultations with the soldiers, company chiefs, the high commands of the BLI, and the Military Region Chiefs. As a result, it was possible to determine which specializations and skills needed to be reinforced.

Capt Agurcia, director of the Facundo Picado CPE, told BARRICADA that the classes are geared to teaching the combatant how to make more effective use of the military technology the Revolution has made available to him, as well as combat tactics.

The development of the curricula is the task of a duly qualified faculty, and the materials are put together on the basis of the cumulative experiences in war, our situation, the experiences acquired by the enemy, and the assimilation of the war by the people.

Among the subjects taught are assaulting enemy encampments, carrying out and defending against ambushes, taking a hill, various ways of operating against the enemy, hand-to-hand combat, tracking, marksmanship, and scouting.

Agurcia indicated that the courses are also designed to improve the assimilation of new technology and the rational utilization of the support weaponry, such as the RPG-7, the PKM machine gun, the 82-mm mortar, and the LG-AGS 17, known as La Arana [the spider].

In the retraining of the BLIs, the chiefs and officers are also included. They are given high-level courses in troop leadership methods and styles, ground artillery, fire control of air units, and marksmanship. They are also familiarized with the characteristics of the school, the experiences gained with other BLIs that have gone through the school, and political training.

The retraining of the combatants is not just military, explained 2nd Lt Sergio Tercero, who is in charge of political-instructional work in the CPE. The young men are subject to a thorough medical check-up, they are issued complete

combat uniforms, they are given a balanced diet, they sleep on cots, they receive family visits, and any personal problem they may have is solved with the support of the command of the school and of the BLI.

The Facundo Picado School has all the material conditions for the moral and psychological recuperation of the troops: There are recreational and cultural activities, a theater, a ping pong table, and a television set with a Betamax. In addition, the combatants go into the nearby town and carry out productive work, mass events, and cultural activities.

With regard to the division of functions between the CPE staff and the officers and commanders of the BLI, Tercero explained that the Center is responsible for the teaching part, the class schedule, and instruction. The BLI command is in charge of the discipline of the combatants, control of the study groups, and security and enforcement of the internal regulations established at the CPE.

Capt Mario A. Bolanos, chief of the Miguel Angel Orteiz BLI, believes that the course received by the BLI has been of great help; not only have the troops become rested and refreshed, but they have also been able to update the knowledge they acquired in combat. Most importantly, "the young men will go out completely combat-ready, prepared to extend and accelerate the strategic defeat of the counterrevolution."

"The combatants will leave better able to carry out the principle of the three 'hits': hit the ground, hit the people, and hit the enemy," he added.

"For us Cachorros [puppies], the retraining we have received at the school is very important, because it has enabled us to improve our combat capability so that we can defeat the enemy," said Arnulfo Canales, 20, a native of Leon who has been performing his Patriotic Military Service (SMP) in the MAO for 17 months.

The young man described the combatants as brave men who have a high sense of morality in combat, totally dedicated to combat, without fear of the enemy.

Jaime Castillo Valle, a 23-year-old from Managua who is waiting to be demobilized, was standing by an improvised fire preparing tibio. For him, the mountains have been a great school, "because they have made it possible to distinguish between the worker class that is mobilized in a BLI and the peasant class that lives in the mountains and produces. Here we have learned to survive, to overcome the odds, and we have developed a feeling of humanism and solidarity," he pointed out.

"There is no place for egotism in the mountains," said Castillo. "The egotist is isolated and suffers more, so we in the BLI lead a collective life; we share what little we have with us, and we take care of sick or wounded comrades."

The MAO combatants are about to leave the CPE. They have improved their military knowledge, refined their marksmanship, and are anxious to return to the mountains to seek out the enemy and inflict more resounding defeats. They want to continue guaranteeing the victory of the people over the mercenary war imposed by the Reagan administration.

FSLN NATIONAL DIRECTORATE'S PROCLAMATION ON WOMEN

Managua BARRICADA in Spanish 9 Mar 87 pp 3, 4

[Text] The FSLN and Women in the Sandinist Popular Revolution

I. Plight of Women Before the Triumph of the Revolution

1. The plight of women, particularly working women, before the triumph of the revolution should be examined in light of the conditions of exploitation, deprivation, and political oppression which prevailed for a great many years as far as the vast majority of our population was concerned.

Our workers, poor Nicaraguans in general, men as well as women, suffered the systematic trampling of their most basic rights. The right to work, to education and culture, to a decent and healthy life, to form political and labor organizations, and to be treated as human beings was brutally denied by the exploitive regime that was imposed on our homeland from 1821 onward.

Imperialist domination, dependent capitalism, the liberal-conservative oligarchy, and the Somocist military dictatorship were the pillars of the system that condemned our people to this situation. This oppressive system was eradicated forever on 19 July 1979, but it left us a legacy of deformity which we must extirpate.

2. Nicaraguan women were also victims of other forms of exploitation and oppression which were derived from their subordinate position within society as a whole, as a consequence of their female condition. It can be said that women, especially those of the working class, bore a double burden of social discrimination, which placed them in a position of even greater oppression.

Women were relegated to the work of the home and child rearing; their possibilities for educational and social advancement were limited; they were denied access to certain jobs and positions; their human potential was limited, and those who worked, both in the city and in the countryside, had to add to their workday outside the home the extra burden of domestic chores. In sum, women were treated and educated as second-class citizens.

The education gap between women and men, their predominance in subservient jobs, their limited participation in political and social activities, their

poor representation in leadership posts of any sort, among other things, were simply visible manifestations of the social discrimination to which they were subjected. In addition to this discrimination, women were physically and morally abused, while society failed to criticize or punish those responsible for such conduct.

3. The subordinate social position of Nicaraguan women was reinforced in the ideological and political-juridical spheres. Machismo, as the most significant ideological manifestation of this phenomenon, tried to legitimize and perpetuate discrimination against women and to make the disadvantageous situation they faced "acceptable" to society.

Machismo exalts an alleged male superiority; it excludes women from activities and jobs that are considered "men's work;" it asserts men's right to abuse women; it establishes prerogatives and rights that women cannot enjoy. Machismo tries to establish as immutable principles what was merely the result of the deformities imposed on our society by the system of men exploiting men.

As an ideological phenomenon, machismo affects men and women alike, and has been reproduced historically through various ideological vehicles, the most important of these being the family itself, school, the church, and advertising. Many aspects of discrimination against women were even incorporated into legislation and the country's legal-political institutions. The laws on divorce and parental authority are examples of that.

4. The Revolution has made drastic changes in social relations, and has created the political conditions necessary to eliminate the ideological, juridical, and social manifestations that were aimed at perpetuating sex discrimination. Progress on both fronts is a sine qua non for achieving the full emancipation of women and guaranteeing true equal opportunity.

5. Since 1969, the Sandinist National Liberation Front (FSLN) has categorically opposed discrimination against women, and included the following in its historic program:

"The Sandinist Popular Revolution will abolish the odious discrimination which women have suffered in relation to men; it will establish economic, political, and cultural equality between women and men.

a) It will give special attention to mothers and children.

b) It will eliminate prostitution and other social ills, which will enhance women's dignity.

c) It will put an end to the servile status of women, as reflected in the tragedy of the abandoned working mother.

d) It will establish the right of children born out of wedlock to receive equal protection from revolutionary institutions.

e) It will set up daycare centers for the care and attention of the children of working women.

f) It will establish a maternity leave of 2 months before and 2 months after childbirth for working women.

g) It will increase the political-educational and vocational level of women by encouraging them to participate in the revolutionary process."

This postulate makes it clear that even then, the FSLN not only recognized the fact that women were subjected to an unjust situation, but also took on the struggle for women's full emancipation, as an integral part of its political program and the major social and ideological transformations that the Sandinist Popular Revolution aimed to carry out.

II. Women and the Popular Struggles

1. Despite the situation of subordination described above, it should be noted that Nicaraguan women were able to fulfill their functions as mothers and heads of household, making great sacrifices to feed, clothe, educate and raise their children. In many cases they were abandoned by both their husbands and society.

There is no doubt that the courage and dignity with which they faced their family responsibilities laid the groundwork for their gradual incorporation into the struggles of the people.

2. Women participated in all the political and social struggles of our people in this century. This participation grew until it reached massive proportions in the final stage of popular combat against the Somocist dictatorship. In spite of adverse historical and cultural conditions (politics in particular was one of those areas reserved to men), women of all ages violated taboos, went out of their houses, rebelled (sometimes against family and friends), and marched off to take their place in the trenches. Their support was decisive to the cause of national liberation, and since that time they have contributed to the achievement of their own demands.

Women were part of the Sandinist resistance against the Yankee invaders. They went on strike and fought for the rights of the working class. Peasant women were active in the struggles for land. Women were student activists and demonstrated against the Somocist oppression. They were members of the FSLN, collaborators, couriers, operators of safe houses, underground combatants, and guerrillas in the mountains. They were political leaders and military chiefs. There was hardly a battlefield where our women were not active.

As mothers, they became a symbol of courage and fortitude, representatives of the morality and dignity of our people. They were mothers of political prisoners, mothers of the disappeared, mothers of the tortured, mothers who bore their pain with dignity, fighting in the streets, denouncing the genocide committed by the guards in the mountains, going on hunger strikes or taking in underground combatants as their own children.

Many women were also victims of the antipopular repression; they were raped, tortured, murdered, or killed in battle against the Somocist guards. Lidia

Maradiaga, Maria Castil, Luisa Amanda Espinoza, the tortured women of El Cua, Arlen Siu, Mildred Abaunza, Silvia Ferrufino, Julia de Pomares, Esperanza Medina--these are just a few of the countless heroines who, with dedication and sacrifice, brought us closer to the popular victory.

3. It is also a historical fact that Nicaraguan women joined the revolutionary struggle not only individually and through neighborhood, student, or union organizations, but also by forming their own organizations.

During the 1960s, the FSLN promoted the creation of the Patriotic Alliance of Nicaraguan Women to mobilize women in the anti-Somoza struggle. In 1977 the Association of Nicaraguan Women Concerned with the Nation's Problems (AMPRONAC) was founded under the direction of the FSLN as a public, anti-Somoza organization with broad participation. AMPRONAC attained national scope and developed an extensive agitation and political mobilization effort that strengthened the general struggle of all the people and stimulated the participation of a great many women who until then had not joined in. Thus, the Patriotic Alliance and AMPRONAC were clear indications of the major potential for mobilizing women in revolutionary tasks.

4. One reflection of the outstanding contribution of women to revolutionary combat is the fact that 38 percent of the militants in the FSLN Second Promotion are women.

III. Women After the Triumph of the Revolution

1. The revolutionary triumph after so many years of oppression sparked a veritable popular explosion and released energies that had been repressed for centuries. With the downfall of the Somoza dictatorship, all sectors of the population organized and mobilized actively to obtain the satisfaction of their long-delayed demands: the workers' demands for their labor rights, the poor peasants' demands for land, and the entire nation's demands for the right to education and health.

2. Women were and are present, participating as workers, peasants, students, residents, intellectuals, etc., in the creative project of the people, in the Revolution that is opening up, for the first time in our history, the real possibilities for eliminating sex discrimination and the subordination of women.

By participating in all these tasks, joining social and labor organizations, and joining the Luisa Amanda Espinoza Association of Nicaraguan Women (AMNLAE), Nicaraguan women are beginning to propose and promote solutions to their specific problems. The Revolution, led by the FSLN, created the conditions for this struggle to advance.

3. The revolutionary conquests of women and of the people in general are already significant:

a) The discussion and passage of legislation abolishing sex discrimination and generating new family relationships based on equality, respect, and solidarity.

b) The establishment of a Legal Office of Women, which has developed an intensive legal effort to defend women's rights.

c) The myriad possibilities for women to participate in all aspects of political, economic, and social life, in which women have begun to serve effectively in offices and positions from which they had been excluded until recently.

d) Unprecedented publicity about the problems and struggles faced by women, making society as a whole more aware of this situation.

e) The government has promoted the creation of Child Development Centers (CDI) and Rural Child Services (SIR) in an effort to improve the conditions for the active involvement of women with minor children in all kinds of work in the rural and urban areas.

f) Nicaraguan women have become more aware of their potential, and have acquired a renewed feeling of dignity as they advance toward full human actualization.

Some figures that reflect this progress to some extent are presented here:

- 31.4 percent of management positions in the government are held by women
- 26.8 percent of the members of Regional FSLN Committees are women
- 24.3 percent of the entire membership of the FSLN are women
- 43 percent of literacy brigade members are women
- 55 to 70 percent of the People's Health Day brigade members are women
- 40 percent of the members of agricultural workers unions are women
- 15 percent of the grassroots leadership positions are held by women
- 67 percent of the members of Sandinist Defense Committees (CDS) are women

These statistics, which reflect historic advancements in the struggle to abolish discrimination against women and represent revolutionary conquests for the Nicaraguan people, also point to a situation which in many respects is still far from just.

4. Our people, nevertheless, have not had a moment's peace since the triumph. Right after the downfall of the Somoza dictatorship, the Yankee imperialist aggression posed new challenges. Women have once again proven themselves capable of meeting this challenge decisively and firmly. They have not hesitated to take up their rifles whenever necessary. They have participated in the execution of all tasks. They have filled in for men who have had to go to war, in the countryside as well as the city. They have bravely given up their sons for Patriotic Military Service (SMP). In sum, they have been a primary force in the defense of the Revolution.

The war and the needs it entails have forced us to accelerate the abandonment of some prejudices, and women have had an opportunity to gain equal access to jobs previously reserved to men. At present, in this regard, women are participating increasingly in the rural and urban labor force, which is

undergoing profound ideological and social changes, albeit forced by the objective situation in the country.

It can be stated that, to the extent that women become incorporated in the tasks of the Revolution, they will advance in meeting their own demands and will contribute to the increased consciousness of men and women.

5. In spite of the major accomplishments that have been made in this process, in our society there are still adverse situations with respect to women, reinforced by the country's underdevelopment and economic limitations. There are still discriminatory laws and practices in the legal and social spheres. Criticism of machismo and its consequences is just beginning. It has not yet been possible to eradicate prostitution.

The struggle to satisfy the specific demands of women is, then, a battle which we in the FSLN must continue to wage, despite the difficult conditions that prevail. We must vigorously combat discriminatory laws and policies, the subordinate position of women in society and family, paternal irresponsibility, physical and moral abuse, and machismo. All these are obstacles and attitudes which must be overcome by men and women alike.

IV. FSLN's Position on Women's Plight

1. Nicaraguan women have traditionally suffered from social discrimination, which places them in a subordinate position in society. In addition to this discrimination, there is the suffering that most of them already experienced as members of the exploited and oppressed classes of the people.

2. The triumph of the Sandinist Revolution and the establishment of popular democratic power have opened up, for the first time in Nicaraguan history, the real possibility of overcoming this unjust situation. The profound socio-economic transformations that the FSLN is fomenting lay the foundations for eradicating all forms of oppression and discrimination, and for establishing a new type of social and personal relationships.

3. Eliminating sex discrimination and attaining the full integration of women into the country's social life are the objectives of our revolutionary process, for which the FSLN is struggling and will continue to struggle.

The specific interests of Nicaraguan women are promoted primarily through the defense and consolidation of the Revolution. In turn, the defense of the Revolution will be strengthened with new contingents of combatants, workers, teachers, professionals, etc. as we develop the ability to eliminate the obstacles of all types that prevent the integration of women and keep them in a position of discrimination.

4. On the other hand, the struggle against sex discrimination cannot be divorced from the struggle to defend the Revolution, which is the fundamental task of all our people at this historic moment.

The massive incorporation of women in all tasks of the Revolution is a key factor in maintaining popular power and building a new society.

5. Solving the specific problems of women, struggling against discriminatory political ideas, and developing the socio-economic conditions that will assure women of equal opportunity are questions that do not concern women exclusively; they affect all of society. Society as a whole, therefore, must struggle to overcome these problems once and for all, in accordance with the principles we have set forth in the new Constitution of the Republic.

We reject the notion that the emancipation of women is the result of a struggle against men and an exclusive action by women, because this type of position divides the people, diverting them from their fundamental tasks. It is up to the FSLN, to all revolutionaries, all of the most advanced sectors of society, men and women together, to wage the ideological, political, and economic-social battles that will lead to the elimination of any form of oppression or discrimination in Nicaragua, including that against women.

6. The definitive eradication of all manifestations of sex discrimination is a historic objective linked to the economic and cultural development of society, which will be achieved in the long term. But the battle that began with the revolutionary struggle must continue, consciously directing our efforts toward that objective and advancing more each day in the struggle against the ideological, juridical, and social factors that discriminate against women.

All the agencies and members of the FSLN, all social, labor, and mass organizations, have an obligation to promote the massive incorporation of women in the various tasks of the Revolution, to serve their specific interests, and to fight against all forms of oppression and discrimination.

7. The family is the basic cell of society and guarantor of social reproduction, not only from the biological standpoint, but also in terms of the principles and values that are the mainstay of society. Women have been the main pillar of the Nicaraguan family, defending it and supporting it even under the most difficult of circumstances. For this reason, they deserve the greatest respect and admiration.

8. The FSLN stands firm in its decision to continue struggling to abolish all those laws and institutional policies that still allow for some forms of sex discrimination.

We are going to continue fighting against the manifestations of machismo, which are a regressive ideological vestige that is unacceptable to revolutionaries.

We intend to continue investing efforts and resources in supporting the family in the care of children, especially for abandoned women, and in creating the conditions to facilitate their incorporation into productive and social tasks.

We will struggle so that women can fulfill their maternal functions and meet their family obligations under increasingly better conditions, without these

responsibilities becoming insurmountable obstacles to their own development and self-actualization.

We are going to continue struggling against irresponsible paternity and the physical and moral abuse of women and children, promoting at the social and institutional level a stronger reaction against those responsible for such conduct.

We intend to promote effective solidarity in married couples, as far as domestic chores and family responsibilities are concerned.

We will continue to demand and stimulate the mobilization and participation of women in all revolutionary tasks.

9. The mobilization of women has been strengthened since 19 July 1979. Now the mobilization of women should multiply to incorporate new energy for the defense and consolidation of the Revolution. The Sandinist National Liberation Front should lead that struggle in educating and raising the consciousness of men and women, and thus of society as a whole, against sex discrimination, which prevents women from participating fully in the revolutionary process.

To move ahead in this struggle, it is also necessary to have specific mechanisms whereby revolutionary women can contribute to the mobilization of all women for the purpose of identifying the obstacles to their emancipation and the problems most deeply felt by women, proposing practical actions for overcoming them. The Luisa Amanda Espinoza Association of Nicaraguan Women provides that specific mechanism, and therefore should promote the series of activities involving the identification of the specific problems facing women so that they can be taken up as the problems of the Revolution.

AMNLAE should aim at the fundamental objective of promoting the incorporation of women in the tasks of the Revolution, fomenting the struggle of women themselves and of society as a whole against sex discrimination in all institutions and organizations, publicizing the achievements and problems of Nicaraguan women, and representing them at the international level.

However, AMNLAE should not try to become a mass organization of women, working counter to or parallel to existing mass organizations. On the contrary, it should encourage women to join unions, cooperatives, Sandinist Defense Committees, professional and student associations, etc., so that there, as workers, peasants, residents, professionals, and students, they can participate in the great tasks of the Revolution, at the same time raising awareness of their problems and prompting society as a whole to move toward full equality.

In outlining these reflections and guidelines on the situation of women in the Revolution, the FSLN confirms once again its confidence that Nicaraguan women will continue devoting their best efforts and energy to the defense and consolidation of this revolutionary process, which has created and is guaranteeing the conditions for the full realization of their human potential. The FSLN is firmly convinced that these guidelines will be accepted by men and

women, by all Nicaraguans, with the same decisiveness with which the workers and youths have accepted the tasks of military defense and production.

Implementing these guidelines will multiply our moral and material forces in the battle we are waging today against foreign aggression.

Long live the women of Nicaragua!

Here no one gives up!

Free fatherland or death!

National Directorate of the Sandinist National Liberation Front

Managua, 8 March 1987

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CSO: 3248/256

PILAR NORES DE GARCIA ON ROLE AS FIRST LADY, OTHER ISSUES

Lima CARETAS in Spanish 16 Mar 87 pp 26-31

[Interview with Pilar Nores de Garcia by E.Z.G. in Lima; date not given]

[Text] Pilar Nores de Garcia, the wife of the president of the republic, welcomed CARETAS last week alone, and specifically for the purpose of talking about her two great projects--the Direct Aid Program and the Foundation for the Children of Peru. In the past she has stubbornly avoided any type of personal interview, and it is obvious that she has insisted and is insisting on a low profile. But the conversation turned toward other fascinating and important subjects. CARETAS, admitting to a harmless journalistic trick, recorded the conversation.

In her office, the president of the PAD and the Foundation for the Children of Peru used expressive gestures and the sometimes technocratic language of a modern professional in discussing her programs.

[Question] What about your trip?

[Answer] My trip?

[Question] Yes, your sudden trip to the United States.

Pilar Nores de Garcia, a trim and serious woman who generally looks like the prototype of circumspection, smiled and then laughed aloud.

[Answer] The story that I left the president, taking the oldest of my daughters? What an absurd story! When a friend told me about it, my first question was how anyone could think that a woman would leave and abandon her other two daughters.

However, she seemed curious rather than angry about the rumor.

[Answer] Perhaps it is that people want to know about everything, or perhaps it was the lack of an announcement, a statement. But we think that it was due to something quite natural. The fact is that we sometimes regard ourselves as just people.

Alan and I made a pact to separate our public life from our private life, to safeguard family intimacy. But sometimes this is not entirely successful.

And the explanation is short but specific. Some 20 years ago I had an operation in Miami for an internal ear ailment, the misplacement of some of the little bones. This requires periodic examinations and more or less continual treatment. And I came back with a medicine I tried, which was a little strong for my stomach and caused nausea, but perhaps only requires a period of adjustment.

Then Pilar Nores de Garcia asked if we could speak of more important things. For this was the purpose of the meeting--to obtain information about the two programs which she heads--the Direct Aid Program (PAD) and the Foundation for the Children of Peru. And she insists on a low profile. It is only through harmless journalistic cunning that we obtained an interview with this personage. For months she had refused, and she still is resistant.

[Answer] I think that I am doing worthwhile work and achieving much more than I expected, and I admit I am proud of this. These personal journalistic interviews are a disaster, and they lapse into frivolity.

In addition, she hates to be called the first lady.

[Question] What would you like to be called, then?

[Answer] Mrs Pilar, or Comrade Pilar, or better still, Alan's wife.

On her neat desk were pamphlets, documents, statistics. Her style is deliberate and orderly. She might be an executive in Geneva. On the intercom, she spoke to one of her secretaries: "No, dear, that's another report."

The proper report appeared.

Her office is spare and discreetly elegant, a feminine touch in a former Ministry of Justice premise. On the wall is the sketch Guayasamin made of the president and a folk art tapestry, and farther along, a certificate in a handsome gold frame showing that Pilar Nores Bodereau was awarded the degree of Licentiate in Economics in 1977 by the Cordoba National University.

In Cordoba, where she was born, the university is of the greatest importance, she explained. This city now has more than 2.5 million inhabitants and it continues to exist in an awareness of its historic academic institution. Some relationship might be seen here with Huamanga. And it is not without reason that the government of the federate province of Cordoba has a Ministry of Youth.

The various branches of the extensive family of Pilar Nores--she is the 13th of 14 siblings--have been involved with the academic life and public affairs, or politics, for generations. Her grandfather, Antonio Nores, was rector of the university when the 1918 university reform came about. This process

influenced the generation of Haya de la Torre, a student then, and thus, ancestrally, although from what were then the opposition trenches, Pilar is linked with her husband.

Her father, Rogelio Nores Martinez, also served as rector, as well as Social Christian governor of the province. He was a decisive paternal figure in a very Catholic family.

But there are also Peronist relations, and Hector Martinez, the present second vice president of the radical government, is her uncle.

In any case, this was a favorable environment for the education of the wife of a chief of state with a certain natural and tacit commitment to public affairs.

When she enrolled to study economics, for example, she never planned to go into business, but rather to become involved with developmental tasks. Between 1974 and 1975, she even studied economic planning in England. She did not finish, she added, pointing to the Guayasamin sketch. For 1975 was the year she met Alan Garcia.

But this business of joining the highest level of government is something else. Did she not feel some kind of formal shock during the first weeks of government in the palace halls?

Not to any great extent. The fact that her father had already been governor when she was a girl may have given her a certain familiarity with such changes of domicile. And it is true that although she sometimes seems a bit austere in public, she is not so much timid as confident. She speaks well in public.

[Answer] Is it true I am not timid? No, I am not merely timid. What happens is that when one gets into a subject, he becomes eloquent. What one has done with his hands and his head can be defended forward and backward.

No, my problem in choosing the field I would go into, the work I would do, was different. I like to do things, but to do them well. In this I am a little special, and I say that with the attitude of those who like order and precision.

And the lack of statistics, of studies, of applicable systems is particularly anguishing when one is preparing to make decisions.

But her subjects and the fields were very clear. She thinks that from the point of view of a woman in our country, there are two situations which relate to social crime--that of women as such, and that of poor women, specifically, and of many children.

[Answer] I do not speak of women as a feminist. I am not at all a feminist. On the contrary, I say "Vive la difference." Neither do I blame men, or not men alone, but rather all of society, as well as women themselves, for a situation which could be called personal neglect--of their own values--and rejection of the right to think and act.

Their lack of resources does not explain all of this. Perhaps it has been education. Since I am not a sociologist, I will not venture an opinion, and it is not a question of continuing to speculate about the blame, but of working for the future.

And so, in September of 1985, the Foundation for the Children of Peru was established. Shortly afterward, the PAD was established as a program for women under the Office of the Presidency of the Republic. It is the executive arm of a commission in which four ministries participate (Health, Education, Housing and Agriculture). Pilar de Garcia heads it, as well.

The Lima Maternity Hospital is full of women who have conceived children with one father and later others with second or third partners. Within the precarious context of their lives, they believe that "A child holds a man," which in practice does not prove to be true. Within this framework, they often have yet another child, believing that they are ensuring the support of the others.

It is above all through the "mothers' clubs" sponsored by the PAD that a program for the development of women is provided (see subheading "PAD" below).

But Pilar de Garcia does not believe that Peruvian society intrinsically denies women their rights. A woman can work here in any field if she so desires, she says. The role played by women in the judicial branch, for example, is already important. There are many jobs related to the systematizing process which women do better than men.

[Question] But Peru is not noted for giving power to women leaders in politics. Isn't the case of Ilda Urizar, briefly secretary general of the PAP, an example?

[Answer] It is not that there is a lack of leaders. Alan's grandmother, Delia Rojas de Perez, was national organization secretary of the PAP some years ago, and his mother is still secretary of the Miraflores Committee. In fact, a half of the promotion workers in the PAD and the Foundation are women.

[Question] But no Evita Peron has developed here. What do you think of her?

[Answer] First of all, I do not recall that she was ever called "first lady." She was indeed an authentic, profound and personally motivated individual, for she came from a social stratum which had suffered greatly, and also due to her own situation. Her intentions in her work were very good, but those were other times.

[Question] And then Isabelita appeared. How could this happen in a "macho" country like Argentina?

[Answer] Argentina is not "macho." There is a confusion between Buenos Aires and the tango and Argentina. A tremendous error! Argentine folklore is the samba, and the ballads and songs of the interior. The tango and its lyrics are a port phenomenon. I do not believe I ever in my life danced a tango.

[Question] And was it your interest in public service that attracted you sentimentally to a politician such as Garcia?

[Answer] I was attracted above all by Alan's tremendous intelligence. For example, he has a remarkable capacity to find a wide range of alternatives for solving problems, for finding new options, and he has unique vitality.

[Question] Is it easy to live with an individual with such energy?

[Answer] Alan has a passion for what he is doing, a need to achieve goals. He works all the time. He is not an individual who works steadily from Monday to Saturday and rests on Sunday. I like to organize my work, to have a schedule, and Alan often disorganizes it. But I persist.

She smiled.

[Answer] And despite the pressures, we have tremendous satisfactions. Our little family is for us a very beautiful thing. I say little because of the ages involved.

The three girls, for example, are growing up in a basically normal atmosphere. The oldest, Josefina, who at 10 might have been more "impressed" by the change in status and her father's honors, is a very mature little girl and in blooming health. I am very pleased with her. She is my great companion.

And it was Josefina who reminded her that all children are in principle vivacious, clever and similar in some ways. A number of studies pertaining to the establishment of "childrens' settlements" by the Foundation show that many children who have little jobs in the streets of Lima and other cities do this on their own initiative, in order to earn pocket money, without specific instructions from anyone, and although they have parents to care for them.

Thus some time ago, Josefina set up a sort of peddler's stand in one of the hallways of the palace to sell coffee. At 5 in the afternoon, she came to offer us coffee. What she "collects" goes to the Foundation.

In one of the inner palace courtyards, a set of swings underlines the youthfulness of this presidential marriage. But this summer, because of the heat, the children will go elsewhere.

And Pilar Nores de Garcia returned to the theme of women in subjection and neglected children, sometimes using the technocratic language characteristic of a professional of the 80s, along with energetic and intense gestures.

[Question] What about birth control and contraception? Is a campaign being waged through the mothers' clubs?

[Answer] We did not begin there, by teaching contraceptive methods. This is a much deeper social issue, involving the lack of work, responsibility and self-esteem.

Ninety percent of middle-class women would not have a single child if they had to live in a new settlement, carrying water 8 blocks in order to launder an inadequate supply of diapers, hanging them up and buying three tomatoes a day to prepare a poor soup for a wailing brood. This is no life for anyone!

Teaching contraceptive methods is not what we need to do. The women themselves will find out about them when they discover a different world, when they find out that they are citizens of Peru with rights and obligations, when their time is valued. This is what we are seeking through the mothers' clubs, and we have encountered a notable response.

[Question] Is Pilar Nores de Garcia, in short, an optimist?

[Answer] The potential for improvement is very real. We can realize it. There are no major problems with regard to work. What we sometimes lack is a sense of immediacy, a faster pace. There is indeed so much to be done, but we should not say this with discouragement, but with courage.

The PAD

Traditionally, the image of the "first lady" of Peru has been in the main decorative, and linked in any case with public charity. But there have been exceptions. "Mariscala" Gamarra was, to be sure, a militant lady. Dona Maria Delgado de Odria eventually acquired her own political weight. And Violeta Correa de Belaunde, in particular, was and is a fighting woman with her sleeves rolled up who invested tremendous effort in work of a practical sort with the new settlements between 1980 and 1985.

The difference pointed out by economics licentiate Pilar Nores de Garcia is a generational one, and the two programs she heads are more complex and ambitious. About 30 employees work in each, generally assigned from other public departments, to which are added some 200 promotional agents. The programs are designed to provide women and children with aid through measures which are more social than state-oriented.

The PAD is the executive branch of a commission in which the Ministries of Health, Education, Housing and Agriculture participate. It is supported by the INE and through multiple undertakings, it seeks to promote shared projects, to generate additional income for families, and generally speaking, to improve the conditions of life.

For example, through the PAD, a community purchase program has been established, and through it, some 22,000 government employees are currently buying "baskets" of 23 kilograms of basic products acquired at reduced prices. Through the PAD, a uterine cancer detection campaign has also been launched.

But the most important undertaking of the PAD pertains to the mothers' clubs, "an ancient and well-known organization," according to Pilar Nores, "which we have related to the club form." To date, the PAD has sponsored the establishment of 1,062 mothers' clubs in Lima and 1,001 in the provinces, directly involving about 120,000 women.

Each club organizes 60 mothers and some 300 individuals around a communal kitchen which can feed all of the members. Then a nursery is established to care for the children of the working mothers. Finally, a workshop, which generates income, is established. Some 600 of the mothers' clubs in Lima have already established workshops. They produce goods ranging from jams and

sweaters to jewelry and construction materials. One is now regularly supplying a corset factory. Others are producing plantain flour in Tarapoto.

"If we were to encourage these mothers to seek jobs in a factory," Mrs de Garcia says, "forcing them to travel several hours every day, to eat in the streets and to neglect their children, we would be giving them very little aid."

The PAD hopes to promote some 2,000 additional mothers' clubs this year. It provides the capital and demands an accounting from the "members" of the club. Based on a calculation of the modest average cost of installing the kitchen and workshop, it is estimated that the investment per job post is about \$100, as compared to \$5,000 in the most economical of the formal industries.

The Foundation for the Children of Peru

This foundation was established in September of 1985. It is headed by Pilar Nores and its members are the presidents of the INABIF, the Charity Association and the CONFIEP, and a representative of the Episcopate.

It is estimated that there are in Peru 3,500,000 children "at risk." Of this group, more than half a million are at "high risk," while some 6,000 children in Lima can be classified as neglected.

The Foundation sponsored a great national financing campaign at the end of 1985, with a television marathon and all the rest, bringing in 40 billion soles in cash. (There were various other limited donations. One gentleman, for example, donated land in the middle of his property, hoping that the state would help him to resolve an old legal inheritance dispute.)

With this capital, the establishment of orphanages, childrens' dining rooms and primary education centers was begun, with plans for future technical institutes. However, the more advanced program, that designed to serve orphans and neglected children under nine until they complete adolescence, is the Childrens' Settlements project.

The idea for the settlements developed in Switzerland 40 years ago, but it is here in Peru, the president's wife says, that substantial advances in the study and implementation of the concept have been made.

The settlements are housing complexes with 10 to 15 units. Each of them has a substitute "mother" who cares for eight to 10 children of different ages and sexes. The children go out to school and return. It is a question, in short, of recreating the family environment. When there are smaller infants, there are additional "aunts" to help. Thus the traditional impersonality of child care units is avoided.

Mrs Garcia initiated the study of the childrens' settlements system, along with psychologist Magali Garrido Lecca and a group at the Catholic University, prior to the electoral campaign. San Jose, the first settlement, was established in the notoriously explosive Villa Coca, and is thriving. Also, there are 19 others under construction, all of them outside Lima. Three

settlement will be inaugurated this month. In the Los Condores zone, where a tennis club was located, another center will be built to shelter 150 children. Three Villa Rica survivors will live there.

5157

CSO:3348/247

LUIS NEGREIROS ON APRISTA PARTY REORGANIZATION

Lima EL NACIONAL in Spanish 15 Mar 87 pp 8, 17

[Interview with Luis Negreiros, secretary general of the Aprista Party, by Zoraida Portillo; first two paragraphs are introduction]

[Text] Luis Negreiros, the secretary general of the Aprista Party, the son of one of his political organization's early martyrs, an experienced labor leader and a modest man in spite of his power, denies in this interview what some of his colleagues are saying about United Left being the "legal arm" of Shining Path. Negreiros categorically rejects this view as totally lacking in "real grounds," just as he denies that there are paramilitary forces within his own party. Nevertheless, he does acknowledge the existence of a "contingency plan," a self-defense plan, if you will, "to the extent that we are able to."

[Question] How does it feel to be secretary general of the ruling party?

[Answer] I feel the burden of an enormous responsibility. To put it in sailing terms, it's like the ballast that ships need to arrive safely in port without being capsized by unforeseeable or foreseeable developments, which as at sea also occur in politics. Right now I feel this burden more heavily.

[Question] Why? Is the situation that trying?

[Answer] It's just that we are practically at the beginning of the term, and our guidelines and proposals are being analyzed, talked over and debated.

[Question] As secretary general what steps have you taken to restore the mystique and the discipline that APRA [American Popular Revolutionary Alliance] has lost and that marked its activities for decades?

[Answer] I would not say lost; I don't share your assessment. But I do feel that discipline must be bolstered and our mystique further strengthened. There are already several projects and initiatives regarding these important issues for party life and they will have to be approved very soon, because we realize that there is fertile ground for strengthening what Haya de la Torre, the founder of our movement, called "educational" discipline. Moreover, there are ideological and program-related reasons for developing our mystique to the

levels that the Aprista commitment requires for carrying out the revolutionary task of the moment.

[Question] What do the projects and initiatives of which you spoke basically consist of?

[Answer] On the one hand we have the project of restructuring the party, which consists of reforming the party's organization. Now that we have been in power for several months, we see that we have to make changes in the party so that it can effectively support and cooperate in government tasks, bearing in mind the impact that being the ruling party has. So we are looking into substantive aspects to better coordinate government political activities. Our main responsibility is to focus our efforts on the sphere of government, although there are other spheres that do not belong properly to the government but that are important to what Aprismo represents in Peru. We are trying to enable party activists to play an effective role and to provide channels for criticism and self-criticism, which are fundamental in correcting our course, rectifying mistakes, eliminating shortcomings and, at the same time, allowing our activists to take the initiative in everything having to do with party life.

[Question] What will this reorganization entail? Perhaps a change of secretariats and a removal of leaders?

[Answer] That possibility may be considered, but the basic problem is to find the ideal party structure and to select the executive personnel who can pursue and achieve its ends. The reorganization will entail elections on various levels: district, provincial and departmental, as well as in the organizations that bring together white- and blue-collar workers. There is strong justification for such elections. After the November elections, our historic responsibility has increased greatly, because we now control close to 90 percent of the country's municipalities, and in the near future the municipalities are going to play a very important role in regionalizing and decentralizing Peru.

[Question] When will the reorganization begin?

[Answer] The pertinent directive will be approved any time now, and the process itself will take 120 days.

[Question] With regard to your statement that APRA controls about 90 percent of the municipalities around the country, doesn't this represent a dangerous concentration of power in a single party?

[Answer] I think that the important thing is the use that is made of that power, first of all in accordance with the constitution and our laws and, second, in keeping with the purposes for which the people have put us in power. So, I do not see the problem as one of percentages but as one of performance, the use to which power is put. And the fact is that for the first time it is being put to use for historic objectives whose origin is eminently democratic.

[Question] Regarding the use of power, isn't it possible to lapse into the sort of authoritarianism that opposition groups are complaining about?

[Answer] I can state, without fear of error, that such a risk does not exist, and I make this categorical assertion because I am familiar with Aprismo's devotion to democracy and because there is a good reason for trusting APRA. The difference between our proposals and those of other ideologies is not just that ours have their origins in Peru and Latin America and are philosophically independent; more importantly, we intend to carry out a revolutionary process on the basis of the inseparable combination of freedom, social justice and bread. So, there are good reasons for arguing that the administration or the Aprista Party will not fall prey to totalitarian or fascist temptations...

[Question] But there have been certain developments...

[Answer] This does not mean that we are infallible. For this reason, intensive criticism and self-criticism will always be important, as well as any initiative to intensify democratization, which is fundamental for achieving the historic objectives of Aprismo through grassroots involvement.

[Question] Do you share the view of some of your fellow party members that United Left is the legal arm of Shining Path?

[Answer] No, not at all. I believe what Alfonso Barrantes says as president of the front. I simply do not engage in speculation. I believe in the sincerity of those who are involved in the country's democratic life, that is to say, in Congress and other institutions that run the state and guide Peru's destiny.

[Question] Apristas and leftists hurled charges at each other during debate in the special session of the legislature on toughening penalties for terrorists. The Apristas accused the leftists of being Shining Path's legal arm, and the leftists defended themselves by accusing the Apristas of promoting paramilitary organizations and state terrorism. As secretary general, you are in a position to say what truth there is to such charges.

[Answer] I think that both charges are unfounded; they are totally lacking in real grounds and are mistaken assessments. As far as APRA is concerned, I can state emphatically that we have no such intention; the party is not promoting or organizing any paramilitary forces. This is not part of our philosophy or our political methods or practice. We feel that what we have to do to tackle the serious problem of terrorism is to strengthen the republic's institutions, which are in a position legally, technically and materially to confront subversion. So, there is no objective reason that would justify my party's promotion of such forces.

[Question] One reason why the charge was made was that the APRA secretary general in Azangaro, Puno, had an arsenal in his home, in spite of which no investigation was conducted.

[Answer] That is a prime area of violence, and if an investigation was not conducted, there must have been no reason for one.

[Question] In the face of the well-founded charge by certain United Left legislators, the interior minister promised to look into the matter.

[Answer] I have not seen evidence or heard testimony that would make me change my mind. I can reiterate to you, though, that the party's philosophy and praxis provide no justification whatsoever for having such forces. That I can tell you categorically. Now then, as far as the specific charge is concerned, I have seen no further evidence that would lead me to accept that claim.

[Question] With regard to the mechanisms for reorganization that we were talking about a while ago, have you taken precautions to prevent such paramilitary forces from arising in APRA under the pretext of self-defense against mounting violence, especially in towns in the highlands, which have been the scene of terrorist activity?

[Answer] Certainly. The party is making a major effort to trust in the republic's ability to deal with situations such as the one facing us. This is obviously one of our greatest concerns, because we are a huge, grassroots party that has a presence in every corner of the country. Ours is not a party that shows up just when there are elections; our activities are ongoing. Hence our constant concern about strengthening institutions, because, I repeat, we are not going to lapse into the game of fascism or militarization.

[Question] Of course, but the other side of the coin is what can be done to restrain the party activists who feel they are under attack when they see their headquarters blown up or their leaders killed. There, in fact, lies the greatest danger; the temptation to engage in self-defense, above and beyond the institutions that are in charge of it, is very strong. How can you meet this need without falling prey to this temptation?

[Answer] This is obviously an internal security matter that I cannot amplify on in a newspaper interview. But what I can tell you is that we have a contingency plan to the extent that we are able to. I do not deny it. The situation is extremely difficult, and we are dealing with it peacefully but, at the same time, we are on the alert, trying to avert the danger. Don't forget that our party spent years in the catacombs and has a rich tradition of life in the underground, behind bars, in exile...So we have the appropriate psychological training for a spirit of self-defense, I dare say.

[Question] Don't you fear for your life?

[Answer] Hmm, I won't say no...I really haven't thought about it, because I'm not used to thinking about fear. But I think that everyone feels it sometime, for oneself or for one's family. Moreover, fear is perfectly understandable given the situation that unfortunately exists in our country.

[Question] What did you feel, for example, when you learned of the murder of Cesar Lopez Silva? What was your first reaction?

[Answer] His family. It's true. Rather than him, I thought immediately about his wife and children, because my father was also murdered and I grew up as an orphan. It all came back to me, because as the saying goes, the dead person "goes on to a better life," but the pain and the grief that linger in the family, which is completely removed from the game of politics, are what touch me deeply.

[Question] Deputy, we have strayed quite far from the original issue. We were talking about the moves and plans that you have in store for your party as its secretary general. What else besides the reorganization do you have in mind?

[Answer] There is something else as important as the reorganization. I'm talking about keeping internal tabs on the activists who hold public office. The national secretariat of discipline is inadequate now that the party is in power, all the more so when the fundamental task is moralization. We really need an effective system for keeping tabs on the activists who are discharging functions in the machinery of government.

[Question] Are you also going to take steps to deal with your new activists? Because everyone knows that there are many self-seekers in the Aprista Party, the people who traditionally hook up with the party that happens to be in power.

[Answer] We have always sought to establish very clear rules for party membership to preserve the historic values for which we are answerable, to keep faith with our martyrs. We are thus very strict about membership. Naturally, though, now that we are in power, self-seekers, opportunists and mercenaries always infiltrate. So, we are looking into ways to prevent any more of these people from getting in.

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CSO: 3348/241

DROUGHT BRINGS WATER RATIONING, WITHERING CROPS, FIRES

Port-of-Spain TRINIDAD GUARDIAN in English 30 Mar 87 p 5

[Text]

KINGSTOWN, March 29, Cana — CROPS ARE WITHERING and bush fires breaking out more often as St Vincent remains in the grip of a drought.

In some areas of the country, water is being rationed, while the authorities underscore the need for conservation everywhere.

Forestry officials have also been warning of the dangers posed by bush fires.

So far this year, only 126.3 millimetres of rain have fallen and this has been one of the driest months with a mere 11 mm, weather watchers reported.

Most of the usually lush, green vegetation throughout the country is now a scorched brown and farmers complain that they face heavy losses if the drought continues.

Water levels in the country's reservoirs are down and the Central Water and Sewerage Authority (CWSA) has been forced to implement a system of rationing in several parts of the island.

It has also made repeated appeals to consumers to use water only for essential purposes.

Dangers

People in some areas have complained of being without pipe-borne water for many days at a time.

The drought has already resulted in very parched and in some cases dead vegetation especially in coastal and

marginal areas and on hillsides where the soil was shallow.

Forestry Officer Calvin Nicholls has warned against the dangers of the increasing bush fires, some of which he said seemed to have been deliberately set.

He warned that bush fires would further destroy the vegetation and place domestic livestock, wildlife and the country's forests in grave danger and result in serious soil erosion at the onset of the rainy season.

He pointed out that the long-term effect could be the lowering of the country's water table resulting in reduced stream and river flows.

He urged farmers and private land owners to avoid burning bush at this time or to exercise great control if burning were necessary.

Cigarette smokers have also been asked to be mindful of how they dispose of their butts.

As a further precaution, digging of bush yam and hunting have been prohibited in certain areas.

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CSO: 3298/178

PANDAY CITES GOVERNMENT'S COMMITMENT TO CARICOM TRADE

Port-of-Spain TRINIDAD GUARDIAN in English 31 Mar 87 p 3

[Text]

TRINIDAD and Tobago Government is committed to increasing and deepening intra-Caricom trade.

Minister of External Affairs, International Marketing and Tourism Basdeo Panday said this at the opening session of the Trinidad and Tobago/Guyana bilateral discussions on trade and economic co-operation yesterday at the Riverside

Plaza.

Also attending the meeting were the Minister of Industry and Enterprise, Senator Ken Gordon, and the Minister of Works, Settlements and Infrastructure, John Humphrey.

Mr Panday said his Government, since coming into office, has pursued this goal on several different fronts, mainly through bilateral discussions. He saw no conflict with Caricom in this respect.

The minister also spoke on the lack of economic cohesion between the member states of Caricom which, he said, is one of the factors which has inhibited the movement's effectiveness.

Idle Resources

But he expressed hope for joint production and co-operation between the public and private sectors of both countries as a possible means of stemming the outward flow of foreign exchange and utilising idle resources in both countries.

In the light of falling revenues from oil, the Minister said, the Government could no longer be expected to be the prime mover in the economy and suggested a greater role for the private sector.

What the Government could do, he continued, is to provide the necessary infrastructure and create an atmosphere conducive to investment, business activity and consequently the provision of jobs.

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CS0: 3298/179

SHORT TRINTOC OIL DELIVERIES BRING VENEZUELAN IMPORTS

Port-of-Spain DAILY EXPRESS in English 24 Mar 87 p 1

[Text]

NATIONAL Petroleum Co., Ltd imports 6,000 barrels of base oil per month from Venezuela.

According to Minister of Energy Kelvin Ramnath, National Petroleum has to import some base oil from Venezuela because of the irregularity of supply from the Pointe-a-Pierre refinery of the Trinidad and Tobago Oil Co., Ltd (Trintoc). He said this problem would be discussed with Trintoc.

The Minister held a press conference following a tour of the operations of National Petroleum Co., Ltd, Sea Lots, yesterday. He was accompanied by Permanent Secretary in the Ministry of Energy Reynold Rampersad, N.P. chairman Noel Wyatt and N.P. managing director Harold Cuffy.

Elaborating on the issue of oil importation, Cuffy said the problem might be resolved in the coming months. According to Cuffy, it was not more expensive to import the base oil but was rather a question of convenience.

Ramnath also expressed concern about the price and reliability of gas supply which, he said, would allow Trinidad and Tobago to encourage companies to come to the country to use natural gas.

According to Ramnath, a review involving financial appraisal of the South East Coast Consortium (SECC) project was currently being undertaken by a team headed by Eugenio Moore, head of the Public Service.

Head of the Government Transition Team Dodderidge Alleyne, he said, was heading a team and is holding discussions

with Amoco as to the role the oil company would play as a major gas supplier in the country.

Ramnath said Government was also talking to foreign investors who wanted to put down a methanol plant. He said Union Carbide had made a proposal to invest but pointed out that everything hinged on the price of gas.

The Minister said Government was looking at the proposal, adding that Union Carbide was prepared to engage in a joint venture with Trintoc. He said Union Carbide was also willing to enter into a loan with Trintoc if the company was not in a position to invest as well as have standby equity if the Government so desired.

The Energy Minister said he believed the country's future in the energy sector, bearing in mind that there had been no major oil find in a long time, would depend on the production of fertilisers. However, he said this would depend on "if the price is right."

Referring to his tour and discussions with N.P., Ramnath told reporters the new N.P. board had indicated its intention to look at rationalisation of gas stations in the country as well as the reliability of the supply of base oil to the company.

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CSO: 3298/179

ROBINSON DISCUSSES DIPLOMATIC CHANGES, OTHER ISSUES

Remarks to Chamber of Commerce

Port-of-Spain DAILY EXPRESS in English 27 Mar 87 p 1

[Text]

PRIME MINISTER A. N. R. Robinson said yesterday that changes at the top in a few key missions abroad were pending.

In a wide-ranging address which lasted over an hour, Robinson also announced at the annual general luncheon of the Trinidad and Tobago Chamber of Industry and Commerce at the Trinidad Hilton that steps have been initiated to repair, as far as possible, the damage done to the country's image abroad by recent publications in some influential newspapers with an international clientele.

The Prime Minister ended his address to a standing ovation at the luncheon which saw a record attendance from a wide cross section of the business community.

Industry and Enterprise Minister Ken Gordon, Minister of Sport, Culture and Creative Arts Jennifer Johnson and members of the diplomatic corps were present at the luncheon.

Joe Pires, managing director of Caribbean Chemicals Ltd, was elected new president of the Chamber. He replaces Len Hackshaw.

According to Robinson, the adverse publicity abroad related to events which transpired some time in the past and highlighted the importance of the measures Government had embarked upon to promote integrity and high standards of conduct in public life.

Robinson said legislation had been

introduced in Parliament to set up the Integrity Commission and also to update and strengthen the Prevention of Corruption Law.

He also noted that Codes of Conduct for Ministers, Members of Parliament and members of statutory boards have been laid in Parliament, adding that Cabinet agreed only yesterday that these Codes of Conduct be published for public comment.

The Prime Minister further pointed to the registration of gifts and the established principle that public office must not be employed for private gain. He said Government expected that codes of conduct would be adopted in the private sector where they did not now exist.

In declaring war on drugs, Robinson said very powerful and unscrupulous enemies have been agitated and activated who would be defeated only by the mobilisation of the entire population and with logistical support from the international forces that could be marshalled against the drug trade.

Alongside the war against drug addiction and the drug trade, he said Government was about to begin a campaign to bring into the care of the national community citizens who were mentally ill or had no fixed place of abode. He added that Cabinet was in receipt of the report of the task force appointed to make recommendations in this respect.

Speaking on the suspension of the cost of living allowance and merit increases for employees in the public sector, Robinson said it had not been an easy decision to take.

"If we had opted for popularity instead of the national interest, the ship of state would already have been submerged in the perilous waters around us," he said.

He also commended those managers and senior personnel in state enterprises and the private sector who had taken the cue and effected cuts in their salaries and allowances, adding that he expected others to follow suit.

Additional Details

Port-of-Spain TRINIDAD GUARDIAN in English 27 Mar 87 p 1

[Excerpt]

GOVERNMENT is determined to replace the existing antagonistic relationship between labour and employers with a more collaborative approach. As such it will seek to convene tripartite talks to forge a social contract embracing wages, prices, profits and employment.

Prime Minister A.N.R. Robinson made the disclosure at yesterday's annual general meeting of the Trinidad and Tobago Chamber of Industry and Commerce.

"Soon the Government will seek to convene the proposed conference of Government, employers and representatives of the labour movement to engage in continuing dialogue aimed at forging a social contract that will embrace wages, prices, profits and employment," Mr Robinson told his audience at the Trinidad Hilton.

Government is likewise determined to fulfil its pledge of participatory government, he said.

Since the new National Alliance for Reconstruction's election victory on December 15 last, the Prime Minister said sufficient had occurred to signal to the population at home, to the Caribbean, and to the world that Trinidad and Tobago was set on a course of fundamental change.

He spoke of ending the conflict that threatened to tear Trinidad and Tobago apart, about improved relations with the country's Caricom partners, and revealed that "some changes at the top in a few key missions abroad are pending and steps have been initiated to repair as far as possi-

ble the damage done to our image abroad by recent publications in some influential newspapers with an international clientele."

International Trade

Trinidad and Tobago's foreign service, the Prime Minister said, was being remodelled to place greater emphasis on economic, as distinct from political, functions.

"The linkage of the subjects of international trade and tourism with external affairs emphasises the desired orientation of the service and foreshadows the economies which will be achieved, while service is maximised," Mr Robinson said.

"A new look Immigration has already been put in place," he added, "and reforms are being introduced in Customs."

Steps are being taken to cut down on red tape and speed up decision making, and decentralisation had begun, Mr Robinson said. He continued:

"Already over 100 workers of the Ministry of Works, Settlements and Infrastructure have been re-allocated at district offices closer to their homes and to the communities they will serve."

His office was being reorganised to support the programme of an active Prime Minister and a more "cerebral" apparatus was being assembled in the Ministry of Finance.

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CS0: 3298/179

COMMISSION OF ENQUIRY INTO GOVERNMENT PROJECTS NAMED

Attorney General's Remarks

Port-of-Spain TRINIDAD GUARDIAN in English 21 Mar 87 p 1

[Text]

THE Allan Alexander Commission of Enquiry into several Government projects has been formally appointed and it will start work soon.

Attorney General Selwyn Richardson told the House of Representatives yesterday the Commission had done some preliminary work and met in Trinidad.

He also noted that a deputy political leader of the National Alliance for Reconstruction had gone to the U.S. to watch Government's interest in a court case involving the Tesoro

Corporation. Other actions are a distinct possibility.

Like the Prime Minister, Mr Richardson did not accept a suggestion by Opposition Leader Patrick Manning that three more projects be included in the scope of the Commission. Mr Manning said Government's refusal to do so was the first instance of a cover-up.

The AG went along with the Prime Minister's view that Mr Manning should present some reason for including the three projects, especially as he was a Cabinet Minister when the projects were undertaken.

[The Port-of-Spain SUNDAY EXPRESS of 22 March, page 3, names the commission members as Independent Senator Allan Alexander SC, British jurist Louis Blom-Cooper QC, and JDF Haynes, former Chancellor of the Guyana Judiciary.]

Manning Criticism

Port-of-Spain SUNDAY EXPRESS in English 22 Mar 87 p 3

[Text]

OPPOSITION Leader Patrick Manning has said the Government's refusal to add three more areas of concern to the seven already to be investigated by Alexander Commission amounts to a "cover-up."

The three projects are King George V Park, overruns on the Hall of Justice, and the Chaguaramas Convention Centre.

Manning told the House of Representatives last Friday he wrote Prime Minister A.N.R. Robinson in February on the subject and received a reply in March, suggesting that he supply any information he had which would indicate these projects should be investigated too.

Turning to the Prevention of Corruption Bill 1987, passed by the House last Friday, Manning said the Opposition would support the Bill in principle; but the penalty of losing the right to vote in perpetuity

he found harsh, and this was changed to seven years during the committee stage of the proceedings.

Manning also quoted Hansard reports from the 1976 to 1981 term in which Robinson, then an Opposition member, had made certain recommendations to Selwyn Richardson, then Attorney-General in the People's National Movement (PNM) Government, on anti-corruption legislation, which recommendations were not to be found in the present Bill.

He called on Prime Minister Robinson to disclose how his party's election campaign was funded, one of the recommendations PM Robinson had made then.

Manning claimed also the new Prevention of Corruption Bill copied amendments introduced by the PNM in 1986 to existing anti-corruption legislation, but never passed.

The Prevention of Corruption Bill now proceeds to the Senate on Tuesday.

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CSO: 3298/179

UNION LEADERS QUERY GOVERNMENT ON SALE OF FEDCHEM

Weekes, McLeod Positions

Port-of-Spain TRINIDAD GUARDIAN in English 23 Mar 87 p 1

[Article by Mikey Mahabir]

[Text]

THE OILFIELDS Workers' Trade Union, through its President General, Senator George Weekes, is calling on Government to buy out Federation Chemicals Limited (Fedchem.)

According to Senator Weekes, if Government cannot purchase the company outright, then it should go into a joint venture arrangement with whoever wants to take over the enterprise.

But the union leader warned: "There should be no South African connection with the company which would like to purchase Fedchem and the Government would have to make sure of that."

Based on a report from employees of Fedchem that they were told the company put up its factory for sale on the international market, OWTU Vice-President Errol McLeod sent a letter to Labour Minister Dr Albert Richards asking him whether Government was informed of the situation.

The union also wants to know what is the future of the joint venture arrangement (Tringen) between W.R. Grace and the Government.

Keeping In Touch

The union asked the Minister: "Is the Government going to allow further retrenchment (at Fedchem) or the introduction of another foreign company?"

It was confirmed by a company official that Fedchem is part of Grace's agricultural chemicals business.

According to an article in the American Wall Street Journal of Wednesday, March 11, Grace plans to sell its agricultural chemicals operations but no mention was made specifically about the future of Fedchem.

The article said that W.R. Grace and Company posted a \$560 million loss for the fourth quarter reflecting asset write-downs and the expense of corporate staff reduction, and said it plans to shed its agricultural chemicals business.

Officials of Fedchem had no details of the matter apart from what was reported in the Journal.

Senator Weekes said the union would keep in touch with its national and international contacts regarding the situation *moreso*, since the union was concerned about the job security of the workers.

Government Disclaimer

Port-of-Spain DAILY EXPRESS in English 24 Mar 87 p 2

[Text]

ENERGY Minister Kelvin Ramnath said yesterday he had no information about the sale of Federation Chemicals Ltd (Fedchem).

However, he said his Ministry was in the process of conducting inquiries, adding that if the sale had taken place they would be informed from abroad. The Minister was speaking at a press

conference following a tour of the operations of National Petroleum Marketing Co., Ltd at Sea Lots.

The Express understands that Fedchem may be under new management following reports that principal shareholder W. R. Grace and Co., has sold its agro-chemical operations to Norwegian conglomerate Norsk-Hydro International.

It was learnt that the deal was finalised in New York on Friday but the sale price is not known.

Oilfields Workers
Trade Union president general George Weekes yesterday urged Government to investigate the circumstances surrounding the sale.

But yesterday Fedchem officials at Point Lisas said they had no word on the sale.

Said Weekes: "I have suggested on behalf of the workers, that Government should purchase

the assets of Fedchem. If however, the Government does not have the funds, they it should get a joint venture partner."

Workers at Fedchem were at a loss over the reported sale. Said one worker: "It is the way of the multinationals to take decisions without consulting workers."

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UNION OFFICIAL CALLS TTUTA 'AGENT OF GOVERNMENT'

Port-of-Spain DAILY EXPRESS in English 27 Mar 87 p 37

[Text]

TRINIDAD and Tobago Teachers' Union secretary general St Elmo Gopaul has accused the Trinidad and Tobago Unified Teachers Association (TTUTA) of acting as an agent of the Government. "for they

seem to succumb to all that Government proposed, whether good or bad for teachers," he said.

"We hope that all concerned teachers will open their eyes and become aware of the many losses suffered within the

past two years with no representation to avoid the erosion of the rights, privileges and benefits of the teachers, under any guise, by the authorities," Gopaul declared.

In a letter to "all teachers, principals and staff," Gopaul said many

benefits which teachers presently enjoyed were due to them for their contribution as nation builders and that such benefits "should be increased and not decreased."

He called on all teachers of TTUTA to resign and join some other union because of what he said were instances of "confrontation, internal squabbles for positions and racial division in the association" and its inability to defend teachers' right to benefits.

He criticised TTUTA for alleged inaction on matters relating to the welfare of teachers.

However, said Gopaul, "Government must be made to understand that it cannot run an education system on handouts and that the quality of an education system is directly related to teachers' salaries and conditions of work."

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CSO: 3298/179

GOVERNMENT FALLS SHORT TRYING TO RAISE CAPITAL LOCALLY

Port-of-Spain DAILY EXPRESS in English 27 Mar 87 p 2

[Text]

GOVERNMENT's attempts to raise \$300 million on the local capital market has fallen short by about \$155 million.

According to a statement issued by Republic Finance Corporation (Fincor), underwriters of the issue up to the first \$100 million, the offer of the floating rate notes was subscribed to the extent of \$145,310,000.

In accordance with the terms and conditions of the offer, all applications will be allotted in full and the relative note certificates will be issued on April 3, 1987.

Efforts to contact Fincor officials for a comment proved futile yesterday evening. The *Express* was told that all the managers were in a meeting. However, having underwritten the offer up to the first \$100 million, Fincor does not have to put up any money.

Banking officials also expressed disappointment yesterday that the offer was not fully subscribed. According to one prominent banker, the Ministry of Finance should never have accepted the term that Fincor underwrite the first \$100 million of the offer.

He said the offer was too large in the first place, adding that Government should have approached the market about four times during the year with offers of \$75 million each.

The "failure" of the issue, he said, will have a dampening effect on the capital market. "It does not augur well for subsequent issues."

Last year, Fincor successfully raised \$100 million on the local capital market for Caroni (1975) Ltd last year. Earlier this year, \$50 million was raised for the Home Mortgage Bank by Fincor.

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CSO: 3298/179

BRIEFS

VENEZUELAN FISHING FINES--Two fishing boat owners from Cedros paid a fine of 6,000 Bolivares each for the release of their boats by Venezuelan authorities in Pedernales. The Venezuelan Coast Guard impounded the boats a week ago when the Cedros fishermen, six in number, were found shrimping in a prohibited area known as "Samaan Hole" in Venezuelan waters. The men and boats were taken to Pedernales. The boat owners were informed and they went to Pedernales the same day but returned without the boats. The owners went back later in the week and paid the fines. They returned home on Thursday. The crewmen were also freed. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 23 Mar 87 p 1] /9274

NATURAL GAS FIND--Amoco Trinidad Oil Company yesterday announced a natural gas discovery in one of its wells--WEQB-1--66 kilometres off Trinidad's east coast. The well, which is approximately 19 kilometres to the northeast of the company's Cassia field in water depth of 79 metres, produced gas and condensate (light oil) in two intervals--between 3,000 metres and 4,000 metres. In tests at the two intervals, the well initially flowed at rates of 24 million cubic feet (mmcf) of gas and approximately 500 barrels of condensate a day, and 29 mmcf of gas and 600 barrels of condensate a day. The well, which was spudded November] last year and drilled to a total depth of 4,459 metres, produced hydrocarbons in sands that were previously not tested in the area. Testing of the well was completed February 27. But Amoco, in a statement, said its engineers and geologists, and the Ministry of Energy, were evaluating the test data in order to get an idea of the size of the deposits. Additional drilling will have to be done to determine the extent of the reservoir and also the commercial significance of the discovery. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 20 Mar 87 p 1] /9274

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16 June 87